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Daily Report
Latin America

FBIS-LAT-96-065 *3 April 1996*

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Cuba

Cuba: Minister Says Mexico Maintains Support for Country

PA0204205096 Havana PRENSA LATINA in Spanish 1619 GMT 2 Apr 96

[By Miguel Lozano]

[FBIS Translated Text] Mexico City, 2 Apr (PL) — Cuban Vice Foreign Minister Jorge Bolanos said today Mexico maintains its firm support for Cuba and a responsible position regarding the Helms-Burton law, which seeks to intensify the blockade on Cuba through extraterritorial regulations.

In an interview with PRENSA LATINA, Bolanos, in his meetings with leaders and representatives of Mexico's leading political parties as well as government authorities, said he was able to observe a unanimous rejection of the law, particularly those points that violate international law and the sovereignty of peoples.

He said the issue of sovereignty has great significance in Mexico due to historic and current circumstances. Cuba has always been a symbolic aspect within the framework of Mexico's foreign policy as an element to confirm its independence, and there is no change whatsoever in this position.

Far from any change, he said, there is a position of strong support for Cuba, something which he corroborated in the first part of his Latin American tour when the members of the Rio Group recalled that Mexico was one of the key advocates of a declaration of support for Cuba.

In general terms, the diplomat said he will return to Cuba tomorrow after visiting Argentina, Colombia, Venezuela, Brazil, Chile, Bolivia, Uruguay, and Mexico, moved by the region's reaction and its clear understanding that this measure being adopted against the island might affect other nations in the future.

In a meeting with congressmen of the Institutional Revolutionary Party (PRI), the National Action Party (PAN), and the Party of the Democratic Revolution (PRD, the Cuban vice foreign minister also confirmed his country's allegiance to the socialist project, even though it has had to adapt to the current situation.

Asked whether the introduction of partial market economy practices in the wake of economic transformations might lead to the replacement of socialism by another system, Bolanos said there is no such possibility.

In his meeting with the congressmen, he said capitalism is not Cubans' dream, because this system was already the country's nightmare. Bolanos said: We will continue our project with the adjustments determined by the current situation.

He said that during his visit here he also worked on the preparations for a meeting of the joint bilateral cooperation commission. This meeting, which is expected to be held in the Mexican capital this month, will seek to broaden and to improve ties of cooperation between the two countries.

Cuba: Castro Addresses Sugarcane Workers in Las Tunas

PA0204194896 Havana Tele Rebelde and Cubavision Networks in Spanish 0130 GMT 2 Apr 96

[Speech by President Fidel Castro at meeting to discuss sugar production at Peru sugar mill in Jobabo municipality in Las Tunas Province; on 1 April — recorded]

[FBIS Summary] A 43-minute Castro speech closes a meeting to discuss plans to reach the sugar production goal at the Peru sugar mill in Jobabo municipality in Las Tunas Province. Castro begins by saying that the sugar mill has accomplished many goals. He says that the harvest is ended in the province and that they have worked very hard. He says that rains complicated the harvest, and that the transportation problems also added difficulties. He says that drainage was a problem at some of the mills.

Castro says that a strategy was reached to move raw material from one mill to another to reach norms. He urges workers to go to other mills to help with the grinding and for brigades to move to help with the work.

He notes difficulties in various provinces. He says that at a time when foreign forces have strengthened the aggression against Cuba it is very important to achieve the goals at the plants. He notes that the country has been defending Cuban independence since 1958.

He says that increasing production demonstrates the heroism of the people. He notes that the potato harvest is not bad, and that despite shortages they are still able to produce. He says we have to make maximum efforts to accomplish everything according to plan. He notes the need for new motors for equipment and that Cuba has to receive the money from the sugarcane to pay the loans.

He concludes by saying: "If they could see this event in Jobabo through a little hole, they would believe the event is taking place in New York. [applause] They would thus see the unity, strength, and revolutionary awareness of our people. They would tire in the end; they will eventually tire. What we are certain of is that we will never tire."

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The item ends with the crowd chanting "Socialism or Death" and applauding Castro.

Cuba: FAR Commemorates 35th Anniversary of Pioneers

PA0204233996 Havana Radio Rebelde Network in Spanish 1800 GMT 2 Apr 96

[From the "National Radio News" newscast]

[FBIS Translated Text] The Revolutionary Armed Forces [FAR] honored the Jose Marti Organization of Pioneers on the occasion of the organization's 35th anniversary, at the military area of the Ernesto Guevara Central Palace of Pioneers. Correspondent Maria de las Nieves Galan reported on remarks by Brigade General Arnaldo Tamayo Mendez, international relations secretary of the Association of Combatants of the Cuban Revolution, who greeted the young people.

[Begin Tamayo Mendez recording] In this 35th anniversary of the Pioneers organization, I wish to extend to the pioneers a friendly and warm greeting on behalf of all the Armed Forces combatants. We all know that the pioneers carry out many tasks, the most important of which is to study and prepare themselves. Their motto says: We will be like Che. All of the Cuban people are confident that this is how our pioneers will be. [end recording]

Cuba: Fishing Industry Officials on Results, Plans

PA0204212996 Havana Radio Havana Cuba in Spanish 0000 GMT 2 Apr 96

[Report by German Ferras; from the "Evening Information Review" — passages with quotation marks are recorded]

[FBIS Translated Text] The Cuban fishing industry experienced significant progress in 1995 and even greater progress has been reported during the first quarter of the present year.

According to figures provided by the Fishing Industry Ministry, 1995 was a year of recovery and growth in the sector, as part of the country's overall economic recovery. Fishing industry revenues increased by 41 percent, exports grew by 22 percent, fish catch increased 15 percent, and net earnings increased by 289 percent.

The most important achievement of the Fishing Industry Ministry in 1995 was having increased its earnings to $150 million, a historic record. This was basically due thanks to an increase in exports and a reduction in accounts receivable.

Among the best customers of Cuban fish were France, Canada, Spain, Italy, and Japan. In addition, net international freight contributions increased to $4 million in 1995.

In sum, fish exports were the highest since 1992 and a fundamental aspect was the substantial improvement in the industrial use of lobster and shrimp even though there was a lower catch than in 1994, however, there was a better marketing strategy abroad.

Overall fish catch grew in 1995. The highest fresh water fish and shrimp catch was attained that year. A total of 29 tons of fresh water fish and 1,488 tons of shrimp were caught.

For the present year, the Cuban Fishing Industry Ministry hopes to increase its revenues from $150 million to $180 million. It also hopes to increase fish exports by 26 million tons and fish catch by 29 million tons. During the first quarter of 1996, the Fishing Industry Ministry has attained excellent results. It has improved the sector's productive capabilities and has greatly increased its economic growth and has improved its equipment, which will undoubtedly lead to a greater salt and fresh water fish catch during the present year.

In the first two months of 1996 alone, profits totalled $18 million, higher than the profits attained in the entire year of 1994. These achievements are due to changes in both the ministry's structure as well as in the methods to face each situation to find solutions, improve yields, and increase fish catch.

Behind the efforts and results, the most important factor is the worker and to learn of what has been done in the Cuban fishing industry, Radio Havana Cuba spoke with Jose Luis Justo Villamil, secretary general of the island's fishing trade union.

[Justo Villamil] "For us, the worker is the fundamental thing in this production process. That is the concept in the ministry and in the trade union. Thanks to this concept, we have attained many positive things for our workers consisting of a better nutrition for our workers, not in theory, but in reality. Our workers are better fed today than they were yesterday. We are working to provide uniforms for our workers. They have their work clothes. We started handing it out last year. This year we are working to provide uniforms for our workers. We are also working on the construction of housing units for our workers. That was something that had been forgotten. This year we have promised nearly 1,000 housing units for our workers. The other thing is the northern Atlantic campaign. We have discussed this and each boat has left with its mission, meaning they know how much they need to catch, how efficient they need to be because it is not only a matter of catching fish, but a matter of being efficient. We have discussed this with the crew

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members. We have discussed the payment system with the crew members so they know how much they can earn in this business. We are also working in drafting strategies to achieve the $150 million-objective. We are also working on payment incentives in the entire sector."

An incentive system to pay workers in foreign exchange has been established for workers who overfulfill their production plans, in which some 5,000 men will be participating. This means final production results should greatly increase. It also forces the men to take better care of their work tools because the more they can use the tools, the greater production they can obtain and the more foreign exchange they can receive. Workers will not only obtain foreign exchange incentives, however. They will also be paid and will receive incentives in Cuban pesos.

In this regard, Jose Luis Justo Villamil said:

[Justo Villamil] "Bearing in mind the principle that our workers are the most important thing for our productive sector, we must note that they were facing difficult situations that are currently being resolved. They will find solutions. There will not only be incentives in foreign exchange. We are also working on a system of payment in national currency. We must say that our national currency is increasing in value. It is no longer as it was before when there was no interest in our currency. Today there is a motivation and we are working in that regard."

For the present year, the Cuban Fishing Industry Ministry is planning to adopt a series of measures that include the purchase of semi-processed fish without heads which would save freight money to the country and a greater amount of fish could be transported for the population's consumption. In this regard, Fishing Industry Minister Orlando Felipe Rodriguez Romay.

[Rodriguez] "We are going to process 25 percent more fish this year, in 1996. Starting in July, we are going to start purchasing fish that is already beheaded and [word indistinct]. This year, 25 percent more fish will be processed. Next year, 50 percent more fish will be processed. A country that processes 50 percent of its fish is a (?developing) country."

The fishing industry minister also talked about the resumption of the work done at the fish processing plants in the island, which suspended work in the last few years due to the country's economic crisis.

[Rodriguez] "The industry has gone from a zero to an 80-percent capacity. Before July [words indistinct]. Pinar del Rio, Havana, and everyone will be processing fish."

The Cuban fishing industry has begun an accelerated recovery process, all under the premise of a state company in which the social system and the form of property are undoubtedly a more fair system than in capitalism. In the fishing industry, the country has not yet done all that is humanly and revolutionary possible to demonstrate it clearly, but much work is being done and the results have shown it. The solution lies in the hands of the men of the sea and they know it.

Cuba: Roundup of Economic Developments Through 2 Apr

PA0204201396

[FBIS Report] The following is a compilation of reports on economic developments in Cuba monitored through 2 April 1996.

According to a Havana-datelined report on 25 March, Fishing Industry Minister Orlando Rodriguez Romay reported that during the first two months in 1996, profits in this sector amounted to some $18 million. As of 20 March of this year, fish farming has produced 3,716 metric tonnes. The production goal for the first quarter of 1996 is 4,216 metric tonnes. (Havana PRENSA LATINA in Spanish 0415 GMT 26 Mar 96)

According to a Havana-datelined report on 26 March, a Tourism Ministry report indicates that joint ventures in the hotel sector have a total of 4,094 rooms with an approximate investment of $300 million. Of these, 1,670 rooms are currently in use with an investment of $132 million. According to this report, these figures allow an average annual yield of 16 percent, thus permitting Cuba to maintain a 50-percent share in these joint ventures. Cuba expects to welcome 2.5 million tourists in the year 2000, thus generating an income of more than $3 billion. In order to meet this demand, Cuba needs from 15,000 to 26,000 additional rooms in 1995. (Havana PRENSA LATINA in Spanish 1946 GMT 26 Mar 96)

On 26 March, potato production amounted to 500,000 quintals at agricultural collection centers in Matanzas Province while average production exceeded 10,000 quintals per caballeria. Work is currently carried out in 150 caballerias to achieve a production goal of 1 million quintals. (Havana Radio Rebelde Network in Spanish 1255 GMT 26 Mar 96)

Matanzas Province farmers on 27 March harvested 500,000 quintals of potatoes, with an average yield of 10,000 quintals per caballeria. Matanzas residents have ensured a monthly supply of 12 pounds of potato per capita. With more than 150 caballerias still planted, Matanzas farmers continue to work to exceed the record of 900,000 quintals in the preceding harvest. (Havana

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Radio Rebelde Network in Spanish 0000 GMT 27 Mar 96)

Guantanamo Province, which in the recently-concluded harvest contributed the largest amount of coffee to the country, is working to recover affected coffee-producing areas. More than 2,000 caballerias will reportedly receive necessary agrotechnical attention. In this part of the island, the harvest volumes increased, reaching almost 3 million cans of coffee, most of which has exportable quality. Yield per caballeria has declined as result of the deterioration of the areas. The weeding and systematic pruning should be concluded in March. (Havana Cubavision Network in Spanish 0100 GMT 27 Mar 96)

A Cienfuegos firm has reportedly harvested 120,000 quintals of potatoes, 30,000 more than what had been scheduled, with a yield of more than 8,200 quintals per caballeria. Firm officials have estimated they will harvest 400,000 quintals for this year. Party members from Abreu Municipality and Union of Young Communists members are participating in the harvest effort. (Havana Radio Rebelde Network in Spanish 0000 GMT 27 Mar 96)

Workers from 74 enterprises in Las Tunas Province and 15 labor unions are cutting sugarcane and contributing more than 70,000 daily arrobas. A provincial party politburo member asked workers to reach, in the next three days, a total of 100,000 daily arrobas for the Peru Sugar Mill. This sugar mill is the first to fulfill its production target in Las Tunas Province. (Havana Radio Rebelde Network in Spanish 1800 GMT 27 Mar 96)

Members from the Cuban Workers Federation (CTC) have cut approximately 28 million arrobas of sugarcane in Havana Province during the current harvest. The CTC maintains 49 brigades working in the fields, seven of which produced more than 1 million arrobas. According to an official, CTC workers have provided 66 percent of their supply of raw materials to the province sugar mills. The official noted the efforts of workers from three complexes, who hope to produce 2 million arrobas in the present harvest. (Havana Radio Rebelde Network in Spanish 1800 GMT 27 Mar 96)

Aranguito group, consisting of members from a large tank unit in the Western Region, is reportedly contributing to the potato harvest in Havana Province. It is part of the Group 40th Anniversary of the FAR (Revolutionary Armed Forces) that is taking part in the harvest in Havana Province. The president of the Simon Rodriguez UBPC (Basic Cooperative Production Units) termed the work done by soldiers great. (Havana Radio Rebelde Network in Spanish 1800 GMT 27 Mar 96)

Horizontes Hotel Network in Pinar del Rio Province will increase this year foreign exchange collections by nearly $600,000 with regard to collections in 1995. So far, this hotel network has earned $177,000 over collections for the same period last year. A spokesman for the hotel network explained that they have a 31 percent occupation, a figure never achieved before. The source added projects are being studied to remodel the San Vicente Ranch, in Vinales Municipality. (Havana Radio Rebelde Network in Spanish 1255 GMT 28 Mar 96)

Heroes de Playa Giron Citrus Company in Matanzas Province has reported the production of nearly 2 million liters of baby food, destined for distribution in the country. This was made possible by the joint effort of the Matanzas industry and a Chilean firm. The production of this joint venture includes the production of natural juices. (Havana Radio Rebelde Network in Spanish 1255 GMT 28 Mar 96)

The products that are sold to the population at the industrial markets, created in the country in December of 1994, will double this year in Pinar del Rio due to a notable increase in state production. A source for Vuelta Abajo Industrial Company added that currently 58 percent of the production is prepared by state-owned companies. Last year, this commercial outlet sold 16.5 million pesos worth of products, and this year's sales exceed last year's by $300,000. Products sold at these stores include second-hand clothing, shaving machines, shoes, bicycles spares, and handicrafts. (Havana Radio Rebelde Network in Spanish 1800 GMT 28 Mar 96)

The Paquito Gonzalez Agricultural Production Cooperative in Ciego de Avila has completed the delivery of 100,000 quintals of vegetables and tubers in just two months of harvest. It became the first cooperative to hit the 100,000-quintal mark during this year's harvest. This cooperative, located in Baragua Municipality, is principally engaged in the production of plantain, fruit, potato, and cauliflower in more than 100 caballerias, manned by approximately 200 cooperative members. A spokesman for the cooperative stated it plans to establish a new record of 300,000 quintals, thereby doubling production for last year. This cooperative also produces over 300,000 annual liters of milk. (Havana Radio Rebelde Network in Spanish 1800 GMT 28 Mar 96)

The Fantastico Travel Agency of Santiago de Cuba, which belongs to the Cubanacan Group, has doubled 1995 sales during the first three months of 1996. It registered profits of more than $100,000. This agency, which organizes excursions and offers many other services, handles 32 national and international flights in Santiago de Cuba each week. Its 1995 sales surpassed

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$300,000 while costs were reduced. (Havana Cubavision Network in Spanish 0100 GMT 29 Mar 96)

Light Industry Minister Jesus Perez Othon has reported foreign currency stores netted $32 million in 1995 and $58 million is expected this year. Among other things, the money is used to repair the oldest factories. The minister said there efforts are being made to overcome insufficient manufacturing of school uniforms and shoes. (Havana Radio Rebelde Network in Spanish 1800 GMT 29 Mar 96)

The Construction Ministry has reported profits of more than 30 million pesos and without loses in the country's 14 provinces during the first three months of 1996, Minister Juan Mario Junco del Pino reported. Construction is growing at 36 percent during the first three months compared to the same period in 1995. (Havana Radio Rebelde Network in Spanish 1800 GMT 29 Mar 96)

Only Villa Clara and Pinar del Rio complied with their fish farming goals during the first three months of 1996, and this means 1,200 tonnes of fish were not produced. The main problems are in the fishing associations of Sancti Spiritus, Santiago de Cuba, Ciego de Avila, Camaguey, and Havana that registered 76 percent of the deficit. This was caused by inclement weather, but there will be investigation because there could be organizational deficiencies. (Havana Radio Rebelde Network in Spanish 1800 GMT 29 Mar 96)

In Matanzas, the fresh fruit harvesting unit of the Victoria de Giron Citrus Company, the largest of its kind in the country, has harvested 2 million quintals of grapefruit. This is the best harvest of the past six years. More than 36 tonnes of fuel has been saved. (Havana Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 30 Mar 96)

Havana has harvested 1.2 million quintals of potatoes so far. Members of the Revolutionary Armed Forces are tasked with harvesting 80 percent of the potato crops in Havana this year. In 19 days of work they harvested 1 million quintals. The most productive camps in the past week were Travieso, Waterloo, and Caraballo. This is peak time for the harvesting of carrots, potatoes, peppers, cabbage, and tomatoes. (Havana Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 31 Mar 96)

Foreign Trade Vice Minister Orlando Hernandez has said Cuba's exchanges with the Caribbean amounted to $300 million in 1995 of which 70 percent corresponded to Cuban purchases of petroleum and lubricants. (Havana Radio Havana Cuba in Spanish 0000 GMT 2 Apr 96)

Cuba: Correction to Roundup of Politburo Activities

PA0204180296

[Corrected version of pa2903141496; explanatory notes describe differences from initial FBIS version]

[FBIS Report] The following is a compilation of reports on the activities of Cuban Communist Party Central Committee Politburo members monitored through 28 March.

[Deleting second paragraph found in initial FBIS version]

Radio Rebelde workers have reportedly discussed the draft project of the 17th Congress of the Cuban Workers Federation (CTC). In addition to union leaders, this meeting was attended by officials from the Central Committee and Pedro Ross Leal, Politburo member and CTC leader. Ross Leal summarized the meeting and congratulated workers on the discussion. (Havana Radio Rebelde Network in Spanish 1800 GMT 22 Mar 96)

Commander in Chief Fidel Castro on 21 March met with personalities who attended the Second Ibero-American Meeting for Tourism Development. For three hours, Fidel exchanged views at the Palace of the Revolution with persons from 17 countries participating at this meeting. Participants confirmed to the press that the meeting with the Cuban president was a nice gesture to them. (Havana Radio Rebelde Network in Spanish 1800 GMT 22 Mar 96)

The first agreement reached at the third meeting of the National Directorate of the Cuban Revolution's Fighters was a declaration rejecting the Helms-Burton law. The basic goal of this meeting, which was chaired by Commander of the Revolution Juan Almeida Bosque, was to evaluate the work carried out in 1995. Although it was generally described as satisfactory, the analysis focused on what remains to be done to achieve better results. (Havana Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 23 Mar 96)

A group of Cuban specialists left for Nigeria to help control a meningitis epidemic in this African country. The Cuban experts are led by Gustavo Sierra, vice president of the Carlos J. Finlay Institute, who said the Cuban aid was requested through the International Red Cross and World Health Organization. The specialists will determine the causes of this epidemic; they have an important commitment, given the critical nature of the situation. Concepcion Campa Huergo, member of the Politburo and president of the Carlos J. Finlay Institute, bid farewell to the group at Jose Marti International

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Airport in this capital. (Havana Radio Rebelde Network in Spanish 1255 GMT 23 Mar 96)

The Cuban newspaper GRANMA published in Saturday's edition two letters exchanged between three members of the U.S. organization Pastors for Peace who are on hunger strike and Cuban Foreign Minister Roberto Robaina. The members on strike, led by the Reverend Lucius Walker, stated in their letter their firm pledge, fast commitment, and determination to see the end of the U.S. blockade against Cuba. The Cuban foreign minister's letter to the five Pastors for Peace states that each of the efforts exerted by them is a breakfast of love for their fellow human beings, and is more characteristic of saints than preachers. (Havana Radio Havana Cuba in Spanish 0000 GMT 24 Mar 96)

Matanzas residents are still striving to fulfill a crucial sugarcane harvest that currently involves the efforts of its 19 sugar mills. Yadira Garcia, member of the Politburo and first party secretary in this province, described the current harvest strategy as urgent. She said they are working in a complicated situation and, even though grinding activities are not what was expected, there is an opportunity for recovery and the fulfillment of goals. Garcia added that you can always count on Matanzas to fulfill its plans. (Havana Radio Rebelde Network in Spanish 1255 GMT 25 Mar 96)

[Deleting last paragraph found in initial FBIS version]

Haiti

Haiti: Preval Colleague on Structural Adjustment Program

PA0304023796 Port-au-Prince Signal FM Radio in French 1130 GMT 2 Apr 96

[From "The Waking Up Newscast"]

[FBIS Translated Text] The negative effects of a structural adjustment program might be felt less in Haiti than elsewhere, according to Leslie Voltaire, a close colleague of President Preval. The negative effects generally entailed by a structural adjustment policy might not be felt by all the Haitian people, given that the Haitian Government is not used to subsidizing the needs of the population, Voltaire told the HAITIAN PRESS AGENCY in response to worries expressed by some sectors about the possible catastrophic consequences of the economic measures.

The effects of structural adjustment are generally felt in an economic structure in which the government intervenes directly to alleviate the living conditions of the population. President Aristide's former chief of cabinet explains, adding that even fuel is no longer subsidized in Haiti.

This adjustment of our miserable economy absolutely must end up stabilizing the gourde and reducing the cost of living. Price increases are the toughest tax on the Haitian people, Voltaire points out.

In Haiti, such a policy will especially hit certain inefficient sectors of public administration, said Voltaire, who believes that the government must adopt a plan aimed at giving compensation to these sectors.

Otherwise, it would be a surgical operation without anesthesia, he says. He also believes that this policy will certainly hit certain monopolistic sectors that are making excessive profits.

Haiti: Report on Clash Between Interim, National Police

PA0304021996 Port-au-Prince Signal FM Radio in French 1130 GMT 2 Apr 96

[Report by Kenol Dorvil; from "The Waking Up Newscast"; in Creole — recorded]

[FBIS Translated Excerpt] A dispute between policemen in Petion-Ville has left one dead. A Petion-Ville district policeman shot in the chest and killed one of his brothers in arms, Raymond Francois, on the afternoon of 1 April.

According to testimony from the site, the incident occurred after an altercation between the victim and a bus driver driving between Petion-Ville and downtown Port-au-Prince. We have learned from reliable police sources that the victim was a former interim policeman integrated into the new police force. Kenol Dorvil filed a report.

[Dorvil] There is mourning within the interim policemen. Sergeant Raymond Francois died when a national policeman shot him.

Both parties in the conflict were trying to prove that they were right. The witnesses in the area report that the victim was involved in a dispute with a public transportation driver, when a policeman quartered in the Petion-Ville area arrived on the scene to settle the disagreement.

The former interim policeman used his weapon, but the national policeman acted faster, and Raymond Francois was killed on the spot. Petion-Ville Commissioner Andresol says an inquiry will be opened to establish the responsibilities of everyone in the incident.

Mr. Andresol goes on to say he believes the national policeman's reaction was self-defense. [passage omitted]

One moment later, several former interim policemen integrated into the National Police Force arrived on the spot. They did not forget to express their anger. The

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atmosphere was very tense when the former interim policemen prevented the General Hospital ambulance from picking up the body. They demanded that general director Mr. Denize come pick up the body.

After much abuse and threats, the interim policemen decided to pick up the body, despite the decision of the justice of the peace of Petion-Ville. [passage omitted] [end recording]

Haiti: Radio Reports on Gangs Operating in Gonaives Area

PA0304005596 Port-au-Prince Signal FM Radio in French 1130 GMT 2 Apr 96

[From the "Waking Up Newscast"]

[FBIS Translated Text] Three armed bandits pretending to be policemen, on the night of 31 March in a slum area in Gonaives, were captured by National Police agents, Edouard Petit-Homme, the departmental director of this institution, reported on 1 April.

According to Petit-Homme, the bandits had two fake guns, knives, handcuffs, and were wearing T-shirts as well as the badges of the National Police.

A wave of insecurity has struck the city of Gonaives in the last several weeks. Armed individuals claiming to be members of the National Police, who say say they are looking for firearms and drugs, are sacking private homes and taking money and valuables.

The departmental director also explained that the police are on the trail of several gangs operating in the region and announced that the local authorities are working toward disbanding them.

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Mexico: Communique Issued on Beating of Aliens in U.S.

PA0304031896 Mexico City NOTIMEX in Spanish 0002 GMT 3 Apr 96

[FBIS Translated Text] Mexico City, 2 Apr (NOTIMEX) — The Mexican Government today expressed indignation over an aggression against three Mexican citizens in Riverside County, California. The persons were brutally beaten by local police officers.

In a communique, the Mexican Foreign Secretariat said: "The evident abuse of authority in this case confirms the urgent need for firm actions to eliminate the discrimination that leads to institutional violence."

In a protest note delivered to the U.S. State Department, the Mexican Government said that the Monday actions against the three Mexicans represent a "flagrant human rights violation."

The Foreign Relations Secretariat said it will demand that the U.S. Department of Justice investigate the incident to establish responsibilities and apply the corresponding penalties until justice is properly served.

The Mexican Government trusts that, consistent with U.S. authorities' pledge to respect the immigrants' rights despite their status, the incident will be expeditiously clarified.

The communique continued to say that Mexico "reiterates its deep concern over both the effect that incidents like this one can have on the coexistence between the two countries and the tension introduced into the dialogue between the two governments."

The Foreign Secretariat will closely follow up the course of the investigation to its satisfactory conclusion so the applicable laws can be strictly enforced.

The Mexican Government's protest note was released hours after two Riverside police officers beat with clubs three undocumented illegal Mexicans after chasing them for several minutes when the Mexicans tried to escape.

Mexico: Article Views 'Serious Political Crisis'

PA0204185596 Mexico City LA JORNADA in Spanish 29 Mar 96

[Article by Luis Javier Garrido: "Silence" — received via Internet]

[FBIS Translated Text] The country is sinking in an increasingly serious political crisis because the government lies to Mexicans. It offered to negotiate a "democratic reform of the state" and not only it is not doing so but it has continued dismantling the Constitution of 1917 to give more economic and political guarantees to the transnational capital.

1. Mexico is going through a slow and gradual state counterreformation that is already jeopardizing national sovereignty because it has eliminated from our constitutional framework, fundamental rights that the nation has over its subsoil, and in the economic field, it has canceled social rights (over the land, health, social security) and in the face of a worsening economic crisis, it is now threatening individual rights with new legal modification packages that open the doors to the country's militarization.

2. The "national dialogue" is, because of all the above, just the government pretending. The authorities have no state democratic reform project because they cannot have it because the Salinist group is not interested in anything but in maintaining control over the state apparatus and this is why while it pretends to "talk" and to "negotiate," it is preparing a true counterreformation of the country's legal framework to give more guarantees to the interests of transnational capital, and to strengthen at the same time its political clout. While at Table II of the peace talks with the Zapatist National Liberation Army [EZLN] in San Andres and San Cristobal (Chiapas), the delegates of Government Secretary Emilio Chuayffet were unable to present a state reform proposal, and at the Barcelona Table they were unable to negotiate a "minor electoral reform" with political party leaders, thus acting against the spirit of the two dialogues, Secretary Chuayffet continues sending projects to modify the Constitution and the laws and preparing a true political counterreformation. [sentence as received]

3. The latest official initiatives to modify the country's constitutional framework, buttress the project to dismantle the Mexican legal order because they pretend "to legalize" the discretionary practices of the "system," acting against basic issues of law and order. The matter is extremely grave because in the past, government rulers governed above law and order, but now the idea is to adequate the law to the "system" and, more serious yet, to do it through "sneaky" legislative actions, without first going through a national debate. The official project of March 1996 "to adequate" the Constitution for "the struggle against crime," modifying Articles 16, 20, 21, and 22, gravely go against individual rights; the changes on Article 73 go against federalism and, as if this were not enough, the project to change Article 129 to give peace-time attributions to the Army, a project presented by none other than National Action Party [PAN] deputies, goes against the very essence of constitutional order and violates individual rights, and represents a most serious threat to the peaceful coexistence of the Mexicans.

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4. In the past the government was satisfied with governing through agreements, decrees, and rules and changed the Constitution only in exceptional cases, but since the end of the Salinas administration, the government has launched a constitutional-changes offensive to fully guarantee the interests of the multinationals. Chuayffet's latest announcement confirms this. In a speech that was broadly covered (20 March), the secretary made known the government's intention "to freeze" the text of the neoliberalized Constitution and to make any future reform of it practically impossible. With the lure that the referendum would be the only means to modify certain constitutional principles (under conditions that cannot be secured), the objective of this "lock" is to safeguard the new manipulated and ruined text of the Mexican Constitution, and this is why it is essential to ask what the parties' and society's positions are on this issue.

5. The Barcelona Table failed not only because the Zedillo government does not have a democratic reform of the state, but because it cannot hide that it has no intention to really discuss the parties' and society's demand for changes, and that it only wants to impose regressive measures demanded by the transnational consortiums. Cordoba, Chuayffet (and Zedillo) believed that by making very minor concessions, the parties would accept the thesis about "a definite electoral reform" and "a new federalism." They also believed that an agreement between the leaders of the parties and the government would secure the postponement, for a good amount of time, of the demands for dismantling the "system," and for a transition to democracy. This agreement would isolate the demands of the EZLN, and of civil society, and would give the government a pretext for launching another military offensive against the Zapatists.

6. The government's actions have failed, however, because its detrimental constitutional reforms do not have the slightest support and Ernesto Zedillo's propaganda policies have been uncovered. The government has acted arrogantly because it has not faced any resistance from the country's political parties, but it is forgetting society. The Barcelona Table also failed because neither the PAN nor the PRD [Party of Democratic Revolution] have come up with a clear-cut state reform proposal, they gave a greater priority to electoral reform, and, especially, disregarded society and their parties' rank and file. Since January 1995, in which the negotiation process began, until the start of the congressional sessions in March 1996, no one knew about the parties' state reform proposals, not even the party members themselves. The PAN never had a proposal that was radically different from that of the government, therefore, even though it left the Barcelona Table, it continued to back all the government's initiatives in local legislatures as well as in Congress. The PRD placed all its trust on Porfirio Munoz Ledo's negotiating capability, disregarding the party's mobilization capabilities. The initiatives of the groups close to the parties have, likewise, been irrelevant. The meeting of the "citizen advisers" and party leaders held at "Seminario del Castillo" led to nothing more than a confusing and extremely short list of electoral demands. The position of the Camachistas [followers of Manuel Camacho Solis, former peace and reconciliation commissioner for Chiapas] of the San Angel Group presented in the cycle of conferences called, Commitments with the Nation, were absolutely mediocre and were not even an approximate diagnosis of what is going on in the country.

7. The peace dialogue held by the EZLN and the government in San Andres opened up an exceptionally good opportunity for civilian society and the government to present at the second "Democracy and Justice" Table a series of state reform proposals as required by Mexicans and for Mexicans, however, this did not occur. Despite the richness of the proposals presented by the EZLN advisers and invited members, which make up the most advanced state reform project in Mexico, the government has nothing to say; its representatives have remained silent, and the authorities have responded with two peasant killings.

8. "Zedillo's" decision to continue repressing nonconformists and to continue changing the 1917 Constitution in order to protect the economic interests of multinational companies, is not, however, the most serious thing. The main problem is that the government can continue acting with impunity, and there is no force capable of stopping it, or of preventing the disaster to which Mexico is still being led.

9. The Zedillo government is, however, an illegitimate government, which does not have society's backing and whose main strength comes from abroad. The White House continues to support Zedillo (and the Salinists), and covering Salinas and Cordoba for all their crimes because they were able to sell the idea in the United States that only their group could push forward the neoliberal project of dismantling the postrevolutionary state and, if they lost power, the "nationalists" (labeled "dinosaurs") would destroy the monetarist program, as if society did not count.

10. However, Zedillo and Chuayffet manipulated by Joseph-Marie Cordoba, Carlos Salinas' alter ego, and, especially, a man who has the absolute confidence of the World Bank, the IMF, and multinational capital, know that society is there and have proceeded to order the country's military occupation. But not to fight crime (as

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they claim), but to maintain Salinas' group in power in order to legally repress workers, landless peasants, social movements, and of course, the EZLN, in fact, all those opposed to the government's policies and the country's betrayal.

The importance of the San Andres dialogue is, therefore, very big, because state reform as well as peace in Chiapas is society's duty.

Mexico: Concanaco President Predicts High Inflation Rate

PA0204233896 Mexico City LA JORNADA in Spanish 1 Apr 96 p 42

[Report by Patricia Munoz Rios]

[FBIS Translated Text] German Gonzalez Quintero, president of the Confederation of National Chambers of Commerce, Concanaco, has warned that a drastic increase in the inflation rate is expected this month as a result of price hikes, including public service tariffs, as well as staples, to be implemented today, 1 April.

Gonzalez Quintero said that the prices of goods and services that affect the economy the most and which are widely used, such as energy, will be increased, which could in turn trigger an increase in the prices of other products.

For example, effective today, Magna gasoline will cost 2.47 pesos per liter and the Nova 2.38 pesos, a 6-percent increase. Diesel will also be increased 6 percent and, effective today, will cost 1.89 pesos per liter. New increases in the price of oils and lubricants are also expected this month, according to reports from the Energy Secretariat.

At the same time, a 1.2-percent monthly adjustment will be applied to electricity and gas rates.

In that regard, Gonzalez Quintero said that those necessary increases will trigger an upward trend in the inflation rate.

Concanaco has predicted that inflation this month will reach 3.5 or 3.8 percent due to multiple price hikes, which will be higher than those observed during the first months of this year.

Gonzalez Quintero said that along with the adjustments on prices and tariffs in the public sector — where increases in highway tolls and airport, railroad and auxiliary service fees are also expected — the prices of staples, such as milk and tortillas, will also go up.

In the case of milk, the 27.3-percent increase in the price of pasteurized milk in 1-liter containers has been followed by an increase in the price of milk for social programs, in other words, the milk distributed by Conasupo [National Company for Basic Commodities], which effective today will cost 50 percent more.

At the same time, the price of tortillas has been increased from 1.10 to 1.40 pesos per kilogram.

All this "deluge of price hikes makes it impossible to believe that inflation will remain at the same levels," Gonzalez Quintero said. He added that naturally the national price index will go up because "key factors of the economy and consumption are being affected."

He said that the increase in the price of energy will affect production costs of practically all industrial and commercial products, even though the effect will be minimal.

In some cases, costs will be absorbed, but in others, the effect on prices will be inevitable, although minor. Therefore, a "generalized price adjustment" in the economy will be implemented, he noted.

Mexico: Daily's Workers Call Strike; Paper Not Published

PA0304043396 Mexico City EL FINANCIERO in Spanish 2 Apr 96 p 19

[FBIS Translated Text] The Independent Union of Workers of LA JORNADA (Sitrajor) declared a strike at 2130 yesterday when a salary agreement failed to be reached with Media Development, Inc., (Demos), the enterprise that publishes LA JORNADA.

As part of the negotiations, the union asked Demos for a 37-percent direct salary raise and full reinstatement of the flexible salary scale as agreed two years ago.

The enterprise offered a 12-percent direct salary raise and only one tenth of the flexible salary scale. In an assembly, the workers unanimously rejected the offer because, they said, it fails to compensate by even a minimal amount the loss in the purchasing power of the workers' salaries.

This is the third time the union and the enterprise have failed to reach a satisfactory agreement and have declared a strike. Nevertheless, this is the first time the newspaper is not being published.

Regarding the break of talks, this is the first strike of the workers of a newspaper of country-wide circulation in 31 years. The previous time was when the newspaper NOVEDADES was not published for three days when a labor-management agreement failed to be reached.

In permanent assembly, LA JORNADA's unionized workers expressed a willingness to resume negotiations leading to a satisfactory agreement.

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Mexico: Roundup of Economic Developments Through 1 Apr

PA0204003796

[FBIS Report] The following is a compilation of reports on economic developments in Mexico monitored through 1 April.

According to a Mexico City, 24 March datelined item, a study conducted by the National Agricultural Council, CNA, has disclosed that 21 months after the implementation of NAFTA Mexican exports have increased 6 percent, while imports of agricultural products increased 21 percent. (Madrid EFE in Spanish 0706 GMT 24 Mar 96)

The Confederation of Industrial Associations, Concamin, has said that Mexico's sugar industry is facing challenges to transform itself from a subsidized industry to a modern and competitive one that will make Mexico an export country. A study conducted by this organization said sugar production is expected to reach 4.4 million tons this year. According to official figures, Mexico is Latin America's second sugar producer, after Brazil. Sugar industry assets in 61 sugar mills throughout the country have been estimated at approximately $1.6 billion. The sector employs 1.15 million persons and contributes with 0.5 percent of the GDP. (Madrid EFE in Spanish 0705 GMT 24 Mar 96)

According to statistics from the Bank of Mexico, Banxico, and the National Institute of Statistics, Geography, and Information Science, real wages last year dropped 20 percent, while individual and company debts in the banking system increased more than 40 percent in real terms. (Mexico City EL FINANCIERO in Spanish 25 Mar 96 p 4)

The privatization of the secondary petrochemical industry is fundamental because it supplies more than 40 branches of the economy, contributes with 3.9 percent of the country's GDP, and exports almost $4 billion annually, based on figures given by the Chamber of Deputies' Energy Committee. This important branch also contributes with almost 19 percent of the manufacturing industry's GDP, has approximately 70,000 employees, and generates fixed private investments of almost $11.5 billion. (Mexico City EL FINANCIERO in Spanish 25 Mar 96 p 18)

Economic results for the first quarter of 1996 are not favorable. Five months after the Alliance for Economic Recovery, Apre, was negotiated, it had to be amended. Guillermo Ortiz, Herminio Blanco, and Javier Bonilla, secretaries of finance, commerce, and labor, respectively, and union leaders, announced agreements at a news conference. It was admitted that inflation will be more than the 20.5 percent originally estimated. Therefore, it was decided that the minimum wage increase will be 20 percent instead of 10 percent as originally agreed. (Mexico City EL FINANCIERO in Spanish 25 Mar 96 p 20)

The National Bank of Domestic Trade, BNCI, has implemented a program to help companies facing serious problems "recover financially." BNCI Director Saul Trejo Reyes said the objective is saving companies on the verge of technical bankruptcy. (Mexico City LA JORNADA in Spanish 25 Mar 96 p 55)

During the first two months of this year, the country exported an average of 1.502 million barrels of crude a day. (Mexico City EL FINANCIERO in Spanish 25 Mar 96 p 25)

A 25 March report datelined Mexico City cites Tokyo Bank President Toyoo Gyohten as saying that the Mexican Government will be able to meet international expectations of achieving economic recovery as planned. During a news conference following a meeting with President Ernesto Zedillo, Gyohten affirmed that the recovery of Mexico's financial market was faster than expected, which is why the Bank of Tokyo could contribute more to the Mexican economy. (Mexico City NOTIMEX in Spanish 0132 GMT 26 Mar 96)

The U.S. crusade to protect maritime species has cost Mexican tuna and shrimp companies $500 million in trade sanctions and required technological equipment. The National Chamber of the Fishing Industry in the Pacific noted that the U.S. commercial tax levied by the United State has cost the country's tuna companies approximately $400 million. Shrimp boats in the northern Pacific and Gulf of California will have to spend at least $1.3 million in equipment, and once the sanctions are lifted they will need $450 million in investments to meet the external demand. On 18 March, the Environment, Natural Resources and Fisheries issued Mexican Emergency Provision 001 for the Pacific and Gulf of California, forcing shrimp companies fishing in the high sea to use equipment that protects turtles. (Mexico City EL FINANCIERO in Spanish 26 Mar 96 p 15)

A group of 35 micro-, small-, and medium-sized enterprises reported the creation of the Union of Mexican Exporters (Unimex) to facilitate sales abroad, in particular to the United States, according to a 25 March report datelined Monterrey. Unimex director Fernando Camarena stated that the group, mostly consisting of construction companies, will support Mexican firms joining the unification system, to prevent that they become victims of dumping or disloyal practices. The group will establish a storehouse in San Antonio, Texas, where

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they will display and sell their products. (Mexico City NOTIMEX in Spanish 0323 GMT 26 Mar 96)

The money supply has reportedly declined by 16.8 percent by the end of February compared to the same period last year. The money supply totaled 892.5 billion pesos, according to a survey by EL FINANCIERO. This decline is explained by the increase in nominal interest rates, the drop in the salaries purchasing power, and the strong reduction in productive activity. The amortization of public debt stated in foreign currency also resulted in the reduction of resources in hands of the public. (Mexico City EL FINANCIERO (ANALISIS Supplement) in Spanish 26 Mar 96)

The state-owned enterprise Mexican Petroleum (Pemex) produces 2,455 daily tons of sulfur, of which 1,500 tons are destined for export, according to a 25 March report datelined Coatzacoalcos. A Pemex source said that approximately 2,000 tons of sulfur are mainly produced in the city of Coatzacoalcos, in the southeastern part of the country. He added the remainder 455 tons are produced in the six Pemex refineries across the country, which are intended for domestic consumption. The sulfur produced in Coatzacoalcos is exported to Tampa, Florida. (Mexico City NOTIMEX in Spanish 0334 GMT 26 Mar 96)

Inverlat Financial Group has revealed that at least 3.280 million workers, representing 10 percent of the working population, must support their families on an income of less than 600 pesos per month. An Inverlat study indicates that approximately 16.4 million Mexicans only have a monthly income that does not exceed the equivalent of $80 to meet their housing, food, and health needs. Inverlat said that at the end of February, the workers who earn between two and five minimum wages — between 1,209 and 3,225 pesos — account for 35 percent of the working population, down 2.7 percent with respect to the same period last year. (Mexico City LA JORNADA in Spanish 26 Mar 96 p 36)

In five years of operation, the Retirement Savings System, which consists of 12 million workers, has accumulated 51.2968 billion pesos. It pays an interest rate equal to 4.8 percent above inflation. According to SAR officials, of the above amount 23.643 billion pesos correspond to the retirement fund account and 28.2325 billion to the housing account. The SAR last year accumulated 19.6295 billion pesos in savings from workers. (Mexico City EL FINANCIERO in Spanish 26 May 96 p 8)

According to a 27 March report datelined Mexico City, Mexico is considered as a country with a high deforestation rate at the world level. It has been estimated that between 300,000 and 1 million hectares of woodlands are annually destroyed in the country. During an environmental meeting, it was announced Mexico has lost more than 95 percent of its tropical rain forests, more than half of temperate forests, as well as a high percentage of arid zones and natural deserts. A report by the Secretariat of Environment, Natural Resources and Fisheries concluded that forests currently account for less than one fifth of the national territory. (Mexico City NOTIMEX in Spanish 0806 GMT 27 Mar 96)

The Finance and Public Credit Secretariat has reported that government spending increased by 7.711 billion pesos between 8 and 15 March. The business sector has indicated that the delays in government spending are one of the factors that impede the economic recovery. (Mexico City LA JORNADA in Spanish 27 Mar 96 p 52)

The Federal Economic Competition Commission (Comision Federal de Competencia Economica — CFCE) has reported that 81 business mergers have occurred in the country during the past 12 months and only four of them were conditioned to avoid the formation of monopolies. The CFCE observed that Mexican companies are increasingly merging to resist the competition of multinational corporations in the national market. It added that the trend is observed both in the productive and service sectors and that they take place between national companies or between national companies and multinational corporations. (Mexico City LA JORNADA in Spanish 27 Mar 96 p 54)

According to an EL FINANCIERO economic analysis, prepared with information from the Bank of Mexico and the National Editorial Industry Chamber (Camara Nacional de la Industria Editorial — CNIEM), the prices of raw material used in the printing of newspapers and magazines increased an average of 51.60 percent between January 1995 and January 1996, which resulted in a 52.34 percent increase in publications during the mentioned period. CNIEM reported that only the price of paper had gone up by 81.72 percent in the past 12 months. This has allowed the parastate Productora e Importadora de Papel (PIPSA) company to increase its current income by 38 percent in real terms as it went from 575 million pesos in 1994 to 1.071 billion in 1995 to become one of the four parastate firms that can self-finance its expenses. The editorial industry sector has not only suffered the increases in raw material, but there has been a reduction in the purchase of publications due to, among other things, the economic situation. Those problems have caused 47 firms to disappear during the past year. CNIEM, however, does not expect more companies to close down. (Mexico City EL FINANCIERO (ANALISIS Supplement) in Spanish 27 Mar 96 p 3A)

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A Mexican Petroleum (Pemex) report reveals that Mexico places 80 percent of its oil exports in the U.S. market. In 1995, Mexico exported to the United States a daily average of 1.37 million barrels. All the other customers of Mexican oil have been steadily reducing their purchases. Spain's daily acquisition of Mexican oil is now 100,000 barrels. In 1993, Spain used to buy 199,000 barrels daily. (Mexico City LA JORNADA in Spanish 21 Mar p 33)

With the integration, yesterday, of Aetna Monterrey Securities (Vamsa) into the Bancomer Financial Group, the latter is now able to complete the sale of 16 percent of its shares to the Bank of Montreal, a Canadian group whose chairman, Matthew Barrett, will be in Mexico tomorrow, 28 March, to conclude the negotiations for up to $480 million. (Mexico City EL FINANCIERO in Spanish 27 Mar 96 p 8)

According to a 27 March item datelined Mexico City, Pemex has reported that in 1995, the gross income of its exploration and production department was $11.116 billion. This figure is 52 percent higher than the 1994 figure. Pemex reported Tuesday in a communique that the increase was due to the $1.82 rise in the oil barrel price and to low production costs in the regions of Marina and Sur. (Mexico City NOTIMEX in Spanish 0727 GMT 27 Mar 96)

The National Commission of Minimum Wage (Comision Nacional de los Salarios Minimo — CNSM) last night ratified its determination to increase the minimum wage by 12 percent as of 1 April of this year. (Mexico City EL FINANCIERO in Spanish 28 Mar 96)

For five years now, Mexico's northern states have been enduring the severe effects of a drought described as the worst of the century. In Chihuahua, water shortages, which have already decimated thousands of head of cattle, have caused this year a 50- percent drop in beef exports. This year, this state's inventory only registered half of its usual number. Chihuahua's agricultural production has also been hit hard. Wheat production has suffered a 75-percent decline. The production of beans shrank from 950 tons to 300.3 tons. This situation has forced Chihuahua residents to consume 40 percent less corn and 50 percent less beans than the national average per person. As a result, Chihuahua is deemed the country's driest state. Of the 350,000 inhabitants of the city of Chihuahua, 100,000 do not have potable water services. In the lagoon region, only 13,000 of the 15,000 hectares that used to be planted have been prepared. In the same region, cattle production is about to disappear. In the past four years, more than 60,000 head of cattle have died or have had to be killed. In Sinaloa, water shortages have already harmed the spring-summer agricultural cycle. More than 200,000 head of cattle will have to be killed because of the lack of pastures and water, and five of the six hydroelectric plants are no longer generating power. The federal government announced a budget of 650 million pesos to assist the agricultural and livestock sectors in light of the crisis. In Durango, the drought has thrown off balance the local economy for four years. At least 50,000 tons of grain were not produced in 1995. Water shortages triggered a 50-percent drop in the prices of live cattle compared to the previous year. Meanwhile, 15,000 Durango ranchers have already begun to cut personnel and shut down some of the ranches. The long drought has also caused serious damage in Potosi: the heat has dried thousands of hectares of pastures and has endangered thousands cattle. This year, more than 300,000 hectares of different crops will not be sowed in Tamaulipas, while thus far, 4,000 heads of cattle have perished due to the drought. According to the Regional Union of Cattlemen, 90 percent, that is, more than 900,000 heads, are already suffering the effects of the water shortages and intense heat. (Mexico City XEW Television Network in Spanish 0400 GMT 28 Mar 96)

The average interbank interest rate reached 40.37 percent, which represents a drop of 3.01 percentage points. Meanwhile, the interbank equilibrium interest rate reached 40.46 percent, which represents a drop of 2.94 percentage points. (Mexico City XEW Television Network in Spanish 0400 GMT 28 Mar 96)

Tonight, after a heated discussion and analysis, the National Minimum Wage Commission accepted the proposal agreed upon several days ago by the members of the Alliance for Economic Recovery to increase minimum wages by 12 percent. This measure will enter into effect as of 1 April. (Mexico City XEW Television Network in Spanish 0400 GMT 28 Mar 96)

The net domestic credit of the Bank of Mexico, Banxico, decreased by 22 billion pesos in the first quarter of 1996. This means that the Mexican economy has already entered the most acute phase of the recession; a delay in the economic recovery; a slack in investment flows; a halted growth; and the almost total standstill of the manufacturing sector. Banxico contended that the reduction in the net domestic credit signifies that our net reserves are experiencing a positive growth and reiterated its determination to continue on the projected path to achieve an inflation rate close to 20.5 percent and attain a balance in the exchange market. Despite the sharp decline, Banxico officials estimated that by the end of 1996, the net domestic credit will reach approximately 73.5 billion pesos, which represents a growth of 7 billion compared to the figure reported in December 1995. A study conducted by EL

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FINANCIERO revealed that, only in the first quarter of 1996, the reduction experienced by the net domestic credit already represents 40 percent of the total decline registered in the entire year of 1995, which amounted to approximately 53.492 billion pesos. According to the latest report by Banxico, the net domestic credit reached 45.819 billion pesos, while the monetary base dropped to 56.704 billion pesos. (Mexico City EL FINANCIERO in Spanish 28 Mar 96 p 4)

In January, the Commerce and Industrial Development Secretariat, Secofi, received information on direct foreign investment of $618 million. Of this figure, 90 percent was invested in 1995, while only 10 percent was invested in January. The Secofi clarified that 90 percent of the registered investment, that is, $556.7 million, was reported to the National Foreign Investment Register, while slightly more than 61 percent corresponded to net imports of fixed assets by the maquila (assembly plant sector). It is worth mentioning that of the foreign investment reported in January, $426.3 million (68.9% percent) were channeled into the industrial sector; slightly over $96 million (15.67 percent) went into services; and approximately $64 million (10.45 percent) to trade. The Secofi indicated that most of the $64 million invested in January 1996 went into the manufacturing companies. Again, the United States ranked first among the leading investors, injecting 42.19 percent of total investments, or $260 million. (Mexico City EL FINANCIERO in Spanish 28 Mar 96 p 6)

According to small and medium businessmen, as well as business organizations, one out of three small and midsize companies in the country went out of business in the past two years, and no improvement in this situation is expected until 1997. Salvador Garcia Linan, director of the Mexican Institute of the Medium and Small Businesses, noted that "between 33 and 38 percent of the midsize and small businesses went out of business," and added that the latest support program "is not the appropriate solution." Enrique Zermeno, president of the Business Council that provides advice to small and midsize businesses, said that "the situation in 1996 has been worse than in 1995, but in contrast to 1995, people are more optimistic." Garcia Linan added that "approximately 90 percent of the companies in the industrial area, categorized as small and midsize companies, are going through a rough time, are not receiving enough support, and now more than ever, are more vulnerable because the situation is not propitious to the creation and expansion of small businesses." (Mexico City EL FINANCIERO in Spanish 28 Mar 96 p 21)

A 28 March, Monterrey-datelined item cites Foreign Trade Under Secretary Decio De Maria Serrano saying that in the first two months, Mexico accumulated a surplus of $1.2656 billion as a result of an increase in exports. In February, Mexico registered a trade surplus of $561.5 million. Closing the First International Foreign Trade Forum, held in Monterrey, De Maria noted that these results were due to the fact that total non-oil exports grew 20.9 percent. De Maria explained that "total exports amounted to $14.5049 billion, while non-oil exports reached $12.9344 billion." He also stressed that the non-maquila manufacturing exports constitute the most significant component of the non-oil exports, as they experienced a 35.8-percent increase compared to the same period in 1995. The official added that oil exports for the January-February period registered a 20.8-percent increase compared to the same period in 1995, when they amounted to $1.5705 billion. De Maria indicated that the export platform experienced an expansion in the January- December 1995 period, registering a 34.6-percent increase climbing from 22,122 companies in 1994 to 29,782 companies by the end of 1995. (Mexico City NOTIMEX in Spanish 0114 GMT 29 Mar 96)

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Guatemala

Guatemala: URNG, Army Casualties Despite Cease-Fires

PA0204140896 Guatemala City SIGLO VEINTIUNO in Spanish 30 Mar 96 p 2

[Unattributed report: "Armed Peace"]

[FBIS Translated Text] Although the URNG [Guatemalan National Revolutionary Unity] has ordered three cease-fires in 1996, the last one, called ceasing of offensive actions, is the one that has caused the greatest disagreement in the round of negotiations held in Mexico.

The greatest controversy centers around the inconsistency of ordering a cessation of offensive actions while allowing the seizure of towns and armed actions for propaganda purposes, with the insurgents describing all of this as an act of goodwill.

Despite the cease-fires for the runoff, and the visit of Pope John Paul II, as well as the most recent one which was ordered for no apparent reason, the casualties in the conflict are obvious.

URNG war bulletins I, II, and III, which contain the military actions from January to March, include the following figures:

A total of 134 operations, of which 43 were military actions and 91 for propaganda, the destruction of a military helicopter and a troop transport truck, and 62 enemy casualties. The actions were staged in 48 municipalities in eight departments.

Meanwhile, an Army report on guerrilla activities, which was issued in Mexico under the name of Statistics of Army Casualties in 1996, indicates that one officer, one specialist, and nine soldiers were killed, and one officer, two specialists, 33 soldiers, and civilian were wounded from January to March.

The Army reports 54 ideological propaganda actions, 35 armed actions for propaganda purposes, 18 checkpoints, 19 armed clashes in counterinsurgency actions, 42 harassment actions, and two actions to commit robbery.

General Otto Perez Molina, inspector general of the Army and a member of the Peace Commission, explained that the new suspension of offensive actions will decrease the harassment of military installations, therefore reducing casualties on both sides.

In any case, the officer did not rule out armed confrontations in the future, because if a patrol clashes with a guerrilla column that has seized a town, the results cannot be predicted.

Guatemala: URNG Pledges To Reduce Collection of War Taxes

PA0204153296 Guatemala City PRENSA LIBRE in Spanish 1 Apr 96 p 2

[Unattributed report]

[FBIS Translated Text] Guatemalan President Alvaro Arzu yesterday summed up the results of the peace negotiations between the government and guerrillas by saying that the general command of the Guatemalan National Revolutionary Unity, URNG, has pledged to reduce to a minimum its collection of so-called *war taxes* and the armed occupation of towns.

According to the president, who was interviewed following the inauguration of the 10th Pan-American Jamboree, *the guerrillas have understood the inconsistency of talking about a cease-fire and continuing to collect war taxes and staging armed occupations of towns.*

The insurgents are aware of this and have told me they will lower these actions to a minimum so the talks can go on normally, Arzu added.

The president was even confident that the insurgents will, in the near future, suspend the collection of *war taxes* and the occupation of towns although, he added, the URNG for the time being will reduce both illegal acts to a minimum and will limit itself to unarmed political publicity and promotion activities.

As for the results of the second meeting between the Peace Commission, Copaz, and the URNG general command, Arzu characterized them as *very positive*, because both sides have a constructive desire to go forward.

From 27 through 30 March, the guerrillas and government met in Mexico to negotiate socioeconomic issues and the agrarian situation, the penultimate of the so-called substantive issues. It is expected that the negotiations will conclude before the end of April.

Guatemala: Army Modernization Said To Begin 3 Months Ago

PA0204200396 Guatemala City LA REPUBLICA in Spanish 1 Apr 96 p 5

[Report by Hernan Guerra]

[FBIS Translated Text] President Alvaro Arzu Irigoyen said yesterday that the Guatemalan Army will not be reduced until a final peace agreement is signed with the Guatemalan National Revolutionary Unity (URNG), but that its modernization began three months ago.

Arzu explained that the Army's purging and modernization is an irreversible event that began the day he took

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office on 14 January 1996. Nevertheless, he denied the existence of a planned reduction of Army troops because that will not be done until the armed conflict ends.

Arzu said that the Army has initiated a modernization plan and is pursuing it at a faster pace than other state institutions. "I believe that the people have been led to believe that the Army's organizational structure is unalterable, but that is not the case; "over the past few months the Army has modernized and professionalized itself more than many other institutions," he said.

The president underscored that for the time being is it not a matter of increasing or decreasing the Army's troops, but of redefining its duties in a democratic environment where power is exercised by civilians.

The issue is not the Army's effectiveness but its increased logistical agility, which will enable it to perform duties that are more important than those it had throughout the internal armed struggle. Its duties will now be aimed at combating drug trafficking and conserving the national biosphere," the president said.

Arzu announced that he has received several offers from industrialized and democratic countries which will advise Guatemala regarding its Army's post-conflict duties. "Therefore, the Army's modernization will happen faster than people imagine."

Emphasizing the Army's reorganization, Arzu said that all of the organizations in the country must be modernized. Within this context he urged the private sector to do the same.

Honduras

Honduras: Arias Appointed Natural Resources Minister

PA0304035496 Mexico City NOTIMEX in Spanish 1854 GMT 1 Apr 96

[FBIS Translated Text] Tegucigalpa, 1 Apr (NOTIMEX) — Honduran President Carlos Roberto Reina appointed today Ricardo Arias as the new natural resources minister to replace Ramon Villeda Bermudez, who will seek the presidential nomination of the governing Liberal Party [PL].

After Villeda Bermudez announced in a news conference that he would resign on Monday, Reina appointed Arias as the new natural resources minister and Marco Antonio Micheleti as deputy minister.

Villeda gave reporters a brief summary of his activities since the Reina administration took power on 27 January 1994, and he said that Honduras has advanced in sectors such as land tenure, agricultural trade, and rural financing.

Villeda also affirmed that this year, the Natural Resources Ministry will designate 360 million lempiras ($35 million) to basic grains production and the revitalization of small and medium-sized producers.

Despite the fact that the former minister affirmed that the situation in the rural areas has improved in recent years, peasant leaders assure that due to the economic adjustment programs, poverty has increased in the Honduran rural areas.

"Villeda lost an opportunity to leave the market supplied with basic products. What we have now is an unrelenting supply from abroad," peasant leader Rafael Alegria said.

The former minister announced that he would soon begin his political campaign to win the LP's presidential nomination during its internal elections scheduled for December, in preparation for the general elections in November 1997.

Villeda Bermudez is the son of deceased former Honduran President Ramon Villeda Morales (1957-1963) who fostered the internal reform of the Liberal Party, created social work institutions, and introduced the Labor Day celebration. He was overthrown by the military on 2 October 1963.

Businessman Jaime Rosenthal, a pre-candidate since last week, and the Congress President Carlos Roberto Flores, have also announced their intention to run for the presidential nomination during the LP's internal elections.

President Reina assured that his successor will come from the liberal ranks. Meanwhile, polls reveal that Flores is the candidate with the most likely chance of winning within the ruling party.

Meanwhile, over a dozen candidates within the rank and file of the National Party, the largest opposition group in the country, will vie for the presidential nomination for the 1997 presidential elections.

Panama

Panama: Foreign Ministry Silent on PRC Commercial Office

PA0304014496 Panama City Circuito RPC Television in Spanish 2300 GMT 2 Apr 96

[From the "RPC Television News" newscast]

[FBIS Translated Text] The Panamanian Foreign Ministry has refused to comment on press reports from Beijing indicating that China will open a commercial office in Panama. A Chinese Foreign Ministry spokesman

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has stated that the commercial office is the result of an agreement between the two peoples to increase commercial and other types of exchange.

Panama does not maintain diplomatic relations with communist China, because it recognizes the Republic of China in Taiwan as an independent nation. As with all countries that do not recognize the PRC, Panama will have to close its consulate in Hong Kong when the current British colony returns to Chinese sovereignty on 1 July 1997.

Panama: PRD Restates Opposition to U.S. Base Presence

PA0304004796 Panama City EL PANAMA AMERICA in Spanish 2 Apr 96 p A1

[Report by Carlos A. Cordero]

[FBIS Translated Text] Gerardo Gonzalez, president of the ruling Democratic Revolutionary Party (PRD), yesterday repeated that he disagrees with the permanence of U.S. military bases in Panama after the year 2000, and he insisted on complying with the canal treaties.

When questioned about the permanence of U.S. military bases, Gonzalez said: "You know my opinion very well: That the Torrijos-Carter treaties should be kept to the letter in their entirety, period."

A study on the economic impact of the withdrawal of the Southern Command ordered by the national government suggested negotiating the permanence of the U.S. military at Howard and Sherman bases.

The PRD president explained that the party has assigned a group of specialists on that issue to analyze the report and make recommendations regarding what would be best for the country's future.

Gonzalez said that he will wait for that commission to disseminate its views before making known the position of the PRD as a political organization.

Regarding a possible alliance between the Christian Democratic Party and the Arnulfist Party to challenge the PRD, Gonzales said "that is a union of midgets; a giant could never come from that union."

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Argentina

Argentina: Buenos Aires Province Penitentiaries Update

PY0204142596 Buenos Aires TELAM in Spanish 1106 GMT 2 Apr 96

[FBIS Translated Excerpt] La Plata, 2 Apr (TELAM) — The inmates from five Buenos Aires Province penitentiaries who have risen in mutiny — some 3,000 in total — have not budged from their position and continue to hold 27 persons hostage, while some 900 inmates from three other penitentiaries have staged a hunger strike in support of the mutineers, according to what has been made public by sources close to the Buenos Aires Province Penitentiary System.

The sources told TELAM that the situation at Sierra Chica penitentiary, where the first riots broke out, has not changed since yesterday, adding that 1,064 mutineers are keeping 27 persons hostage. [passage omitted]

The Penitentiary System has further reported that at Penitentiary No. 7 of Azul, "some 300 inmates are entrenched in open rebellion on the second floor of the penitentiary, holding four prison wardens, three noncommissioned officers, and an officer hostage, following yesterday evening's swap of hostages."

The same sources updated TELAM on the situation at Penitentiary No. 1 of Lisandro Olmos, noting that some 1,000 mutineers continue to hold two prison wardens hostage and that Sergeant Luis Perez was wounded during a brief shoot-out yesterday.

TELAM was officially informed that mutineers at Penitentiary No. 9 of La Plata continue to control four wings of the prison and have not yet released the two prison wardens held hostage, although they did allow an exchange of hostages.

The aforementioned sources reported, moreover, that 79 inmates of the 362 held in custody at Penitentiary No. 6 of Dolores rose in mutiny in wings No. 4 and 6 of that prison, taking two prison wardens hostage. [passage omitted]

Argentina: Minister Concerned Over Prison Mutinies

PY0204202196 Buenos Aires TELAM in Spanish 1337 GMT 2 Apr 96

[FBIS Translated Text] Buenos Aires, 2 Apr (TELAM) — Interior Minister Carlos Corach today expressed his concern over the mutinies taking place in five Buenos Aires Province prisons.

Even though Corach said the prisons where the mutinies are taking place "are under provincial jurisdiction," he emphasized that the situation "concerns all of us, as it is something very serious."

In remarks to Radio America, the interior minister noted that last night he talked with Superintendent General Pedro Klodzcyk, Buenos Aires police chief, who told him that "for now, the situation remains unchanged."

Corach expressed his concern over "the existence of hostages and it is very difficult (to find a solution) with them inside."

The mutinies are taking place at the Sierra Chica, Azul, Olmos, La Plata, and Dolores Prisons.

Argentina: Two Hostages Released at Ezeiza Women's Prison

PY0204202396 Buenos Aires TELAM in Spanish 1731 GMT 2 Apr 96

[FBIS Translated Excerpt] Buenos Aires, 2 Apr (TELAM) — The situation prevailing at a women's prison in Ezeiza, southwest of greater Buenos Aires, is likely to return to normal today after the inmates took two prison guards hostage, and subsequently released them early this morning. [passage omitted]

Prison sources pointed out to TELAM that at noon yesterday inmates of the Ezeiza prison began banging objects and took two SPF [Federal Penitentiary System] guards hostage, with the goal of delivering a list of petitions.

The SPF leadership and Alberto Santamarina, Lomas de Zamora federal judge, went to the women's prison and met inmate representatives. The inmates managed to break many elements of the cells.

The sources pointed out that the situation only returned to normal at 0300 today, after the hostages were released. The banging of objects was resumed at noon today, in solidarity with the inmates of other Buenos Aires Province prisons.

Argentina: Prison Crisis 'Critical'; 17 Reportedly Dead

PY0304040396 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2333 GMT 2 Apr 96

[FBIS Translated Text] La Plata, 2 Apr (NA) — The prison crisis that developed as a chain reaction after the mutiny staged by inmates at the Sierra Chica Prison deteriorated during the day with the frustrated takeover attempt in Mercedes and the beginning of a hunger strike at Unit 13, in Junin.

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The most worrying situation for prison authorities continued to be Sierra Chica, in Buenos Aires. Prisoners here stressed through the relative of one of the inmates that the number of dead inside was 17, not four, as it was supposed until noon today.

The general situation is critical since more than 6,200 inmates continue controlling the prisons at Olmos, Dolores, Azul, La Plata, Sierra Chica and Federal of Ezeiza. In Bahia Blanca, Los Hornos, and Junin the protest is with hunger strikes.

Besides the demands submitted to prison authorities after inmates took over the Sierra Chica Prison there are petitions presented, in solidarity, by prison inmates in Mercedes — where an attempted mutiny left eight prisoners and four guards wounded — San Nicolas and Batan.

A spokesman for the National Penitentiary Service reported from the Ezeiza women prison tonight that 180 rebellious inmates took an official hostage and handed a petition over to prison authorities.

The greatest confusion surrounded the Sierra Chica Prison today. Here Penitentiary officials could not confirm the death of any persons, but the relative on an inmate said "there are 17 dead inside."

This man held a news conference after heading a group of people who visited their relatives inside the prison. He said that prisoners told him that "guards killed 17 people" among those detained inside.

The man denied that the shootout heard yesterday morning was the result of a confrontation between different groups of inmates. He said the shots were fired by security agents.

Authorities could not confirm any deaths since only some relatives have been allowed into the prison so far.

Inspector Lorenzo Nunez, Buenos Aires Penitentiary Service (SPB) deputy chief, said today that he "could not confirm if anyone was killed in the confrontation between prisoners yesterday because prison authorities cannot enter the premises and mutineers have not released any information."

"We will not be able to confirm whether there are any deaths until we can enter the prison because prisoners refuse to give us any information. The only thing I can tell you is that yesterday we had to take two service agents wounded in the confrontation urgently to the Olavarria Hospital," the official said.

According to the information released by the Buenos Aires Penitentiary Service, the number of hostages at Sierra Chica climbed from 17 to 20, including Judge Maria Malere and Court Secretary Ruben Alvarez.

Around 1000 the more than 200 relatives that gathered at the prison entrance — a bus from Buenos Aires arrived today transporting 40 relatives — were able to enter in groups of five to an area from where they could talk with their relatives through bars.

It was reported that there are three opposing groups among the 1,000 mutineers at Sierra Chica, their basic disagreement being what to do next, which was the source of the strong dispute that generated the confrontation yesterday, according to authorities.

The situation at other Buenos Aires prisons remained stable, although there was a attempted rebellion at the Mercedes prison this afternoon.

NOTICIAS ARGENTINAS was able to determine that after the attempt, which was frustrated by prison agents, eight inmates were taken to the Blas Dubarry Hospital, in Mercedes — one of them remains in serious condition. Four guards were also wounded in this incident.

Out of the 12 wounded individuals, nine recovered soon and one inmate was transferred to the Melchor Romero Penitentiary Hospital.

Inmates at all rebellious units had similar demands. They want the reduction of prison terms for car theft, the application of the two-by-one law — its implementation reduces terms for cases without sentences — and a substantial reduction in bails, allegedly because many inmates would be able to obtain their freedom if bails were reduced.

The Buenos Aires Penitentiary Service reported that the situation remained stable in the Los Hornos and Batan prisons today, while nine people still remain as hostages in the La Plata, Olmos, Dolores, and Azul prisons.

It was officially reported that the situation remained stable in the Olmos prison today. Therefore, the 3,334 mutinous inmates still hold two guards hostage.

Even though the inmates and the prison authorities achieved a preliminary agreement yesterday, the inmates today confirmed that the lifting of the protest depends on developments in the Sierra Chica prison.

The Buenos Aires Penitentiary Service also confirmed that the Batan inmates still want to present a list of petitions to Judge Pedro Hooft, while two guards are still being held hostage in the La Plata prison.

At the Los Hornos prison, about 11 women this afternoon joined a hunger strike that 59 other inmates began yesterday.

In the Dolores prison, the 362 inmates are still controlling two pavilions where they are holding two prison

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guards hostage. In the Azul prison, the 336 inmates still are holding four officers and three NCO's "hostage."

With regard to the hunger strikes, the Buenos Aires Penitentiary Service indicated that the 435 inmates of the Bahia Blanca prison are holding a hunger strike. The same applies to the inmates of the Los Hornos and Junin prisons, where 90 inmates began a hunger strike.

Buenos Aires Penitentiary Service sources admitted that the situation "is very tense" in the Ezeiza prison, where 180 of the 560 female detainees are involved in the riot. The sources added that most of the mutinous inmates "are very dangerous."

In the Caseros and Devoto prisons in Buenos Aires, the inmates banged objects in the evening in solidarity with the Sierra Chica inmates, but no incidents were reported.

Argentina: German Minister Views 'Mad Cow' Disease

PY0304004596 Buenos Aires CLARIN in Spanish 30 Mar 96 Rural Supplement p2

[Interview with German Agriculture Minister Jochen Borchert by Liliana B. Cobelo on 29 March; place not given]

[FBIS Translated Text] [Cobelo] How was your meeting with Felipe Sola, Argentine agriculture, fishing, and food secretary?

[Borchert] It was a good conversation. We agreed on making our best effort to regain the consumers' confidence. We must successfully struggle against BSE (bovine spongiform encephalitis) and uphold the ban on using hormones for breeding cattle. I appreciate Argentina's support for Germany in its dispute with the WTO and the EU.

[Cobelo] Concerning the "mad cow" disease, do you believe it is necessary for Argentina to step up its campaign in Germany, after receiving a seven-point trustworthiness rating from your government?

[Borchert] Argentina will do its best to prevent BSE from appearing in the country, as all nations producing beef are aware of the fact that the consumption rate will fall if we don't take any steps to prevent the hazards of this disease. Argentina must report that it is a safe country. I am convinced of the fact that, if we do not manage to achieve a ban on the use of hormones and halt the BSE, the consumption rate will fall even more, not only in Europe, but in the entire world.

[Cobelo] Did you take any specific action to form joint ventures [two preceding words in English]?

[Borchert] We did not sign any specific agreements, but we discussed the manner of increasing forest deals. There are great possibilities in this field.

[Cobelo] One of the reasons for your visit involved becoming acquainted with the conditions under which Argentine food and raw materials are being produced. What are your conclusions in this regard?

[Borchert] I believe there will also be good opportunities for bilateral cooperation in the field of processing of agricultural products. In Germany, I will discuss this issue with the food industry so as to achieve investments in this field.

[Cobelo] What would Germany purchase from us, in addition to meat?

[Borchert] In addition to meat, Argentine fruit exports to our country have been developing very favorably over the past few years. There will surely be other possibilities. Germany has been the largest purchaser of Argentine beef over the years. Last year's sales have soared to 250 million pesos. In 1995, 90 percent of the Hilton quota (about 28,000 metric tons), the prime production of local meat packing plants, ended up in Germany.

Germans are also purchasing large quantities of oil seeds, fresh and canned fish, fresh fruit (especially apples and pears), vegetables, wool, leather, cotton, and honey. German purchases represent an income of more than $600 million for Argentina.

[Cobelo] Are German cattlemen concerned over increased entries of Argentine meat?

[Borchert] Concerning meat supplies from other countries, there are potential conflicts with German and European production, but, within the GATT framework, we have committed ourselves to allow the entry of certain quotas and we are fulfilling our commitment. Argentina has been using the GATT possibilities very well so far.

[Cobelo] How did the German farmers adjust vis-a-vis the reduction of subsidies?

[Borchert] It is a very difficult process for German agriculture and we are going through a transition period. We are doing our best to improve the productivity of our farmers. I am sure that the German agriculture will also maintain its good level vis-a-vis the new GATT rules.

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Argentina: Defense Minister Views Antidrug Fight

PY0204141896 Buenos Aires LA NACION in Spanish 31 Mar 96 p 18

["Exclusive" interview with Defense Minister Oscar Camilion by Eduardo Barcelona; place and date not given]

[FBIS Translated Text] [Barcelona] We know that the issue of drug trafficking was not discussed in any of the five work subgroups or during your meetings with Defense Under Secretary Walter Slocombe, but the North Americans have shown signs that they would like to attack the problem from a different angle and that they would like to include the issue in the permanent agenda of hemispheric meetings.

[Camilion] The problem has changed. A few years ago the issue of drug trafficking was not included on the security agenda. It was a crime that could be faced by the police alone. In the past few years, let's say from the 1980's, however, the problem acquired a very large dimension as business, as a threat to the social and territorial structure of countries.

[Barcelona] Would this change justify a different treatment by other states in the Americas?

[Camilion] Once again, it depends on national circumstances. It is not a secret that some Latin American countries discovered that drug trafficking represented a threat against their institutional structure. Drug trafficking has also become a threat against the geographical integrity of nations: In some cases, drug dealers have assumed physical control over entire regions.

[Barcelona] What do you think the North Americans want?

[Camilion] I think the United States wants a massive confrontation in the area of drug trafficking. They have changed their own internal structure by designating a very important officer at the White House to direct actions against drug trafficking. He is General Barry McCaffrey, chief of the Armed Forces Southern Command. He is one of the best known officers in the U.S. Army.

[Barcelona] Does his appointment at the White House mean that the United States is progressively militarizing the fight against drug trafficking?

[Camilion] Not within the United States. I do not think the United States will involve its Armed Forces in the fight against drug trafficking. I do not think the North Americans will try to convince countries with Armed Forces adequately trained to fight drug trafficking to have their military forces intervene.

[Barcelona] Argentina, for instance?

[Camilion] That is right. Here we have a legal problem. The Armed Forces cannot intervene in this type of problem because the internal security law forbids it. The Armed Forces can only provide logistical support, and that is what they are doing.

[Barcelona] If we consider the data on the increase in drug trafficking activities, we might conclude that security forces might not be enough to fight drug trafficking in the medium term.

[Camilion] In some cases security forces on their own might not be enough, particularly in the areas of support, control, and intelligence mechanisms. For example: Argentina develops a radar program to control its airspace; however, this airspace is not going to be controlled by security forces, but by the Air Force.

Legal Boundary

[Barcelona] Let us just say that at this time we have a legal boundary.

[Camilion] There is no doubt about it. There are also practical operative conditions. From the viewpoint of operative conditions, the Armed Forces are not trained for this type of operation. They do not want to intervene, and cannot do so legally.

[Barcelona] Some military chiefs, however, are concerned because the problem appears almost as a threat to the nation.

[Camilion] It is possible. In some cases drug trafficking is not a potential threat. Some nations had to face the problem as a real threat. These nations found the need to involve the Armed Forces directly.

Many nations wanted to make action against drug trafficking the central issue at the Bariloche Armies of the Americas meeting. The proposal was defeated by a single vote, and the United States and Argentina were in the group of those who voted against military involvement.

[Barcelona] In October we will have the second Defense Ministers of the Americas meeting. Do you think drug trafficking will be the central issue? How will the agenda be defined?

[Camilion] The Bariloche agenda is in the discussion phase. The concern over drug trafficking was discussed in Williamsburg, and it is likely the issue will come up again. I have no doubt that some countries will bring it up again.

[Barcelona] On a different subject, reports originating in the Federal Court say you will probably be summoned

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to testify regarding the sale of arms to Ecuador. How do you feel about this issue?

[Camilion] I cannot comment on unofficial reports coming from the court building, least of all if a specific court such as the Federal Court is mentioned. It would be unwise to make any type of comment. It is not usual to have reports coming out of specific areas of the public administration. I cannot comment on this report.

Argentina: Results of Cavallo's Convertibility Plan

PY0204225296 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1433 GMT 31 Mar 96

[FBIS Translated Text] Buenos Aires, 31 Mar (NA) — The Convertibility Plan, which is based on a stable peso-dollar exchange rate system and on the prohibition to issue money without the support of reserves, will be five years old on 1 April, and it has been a great success in the fight against inflation.

Notwithstanding, the plan's goal of reducing unemployment is pending, as unemployment reached a record level of 16.4-18.4 percent during the implementation of the plan.

With the implementation of the Convertibility Plan, Economy Minister Domingo Cavallo was able to bury the ghost of hyperinflation, and he was able to crown his fifth year at the head of the Economy Ministry with the lowest inflation rate in the last 51 years.

The inflation rate in 1995 amounted to 1.6 percent, the second lowest in the ranking [preceding word in English] of the world's main countries and only outranked by Japan.

On the other hand, Argentina has experienced the highest unemployment rate in its history, reaching a record of 18.4 percent in May 1995. This percentage has begun to decline according to the latest Indec [National Institute of Statistics and Census] poll, which registers a 2-percent decline.

After four continuous years of economic growth at the 7-percent level, the Convertibility Plan in 1995 faced its baptism of fire: The so-called "tequila effect."

Some 40 banks stopped operating due to the financial crisis at the beginning of 1995 — and this provoked a withdrawal of deposits amounting to some $50 million — while the GDP fell by 2.5 percent and the public accounts had a deficit of $2.54 billion.

Moreover, Cavallo remained firm in his decision of maintaining the exchange rate, while Mexico and Brazil devaluated their currencies due to the "tequila effect."

Cavallo's economic program was based on three fundamental points: The free convertibility of the peso-dollar, thus eliminating indexation; the economic opening; and the reduction of fiscal pressure. According to his critics, the lack of social dialogue is still the biggest debt.

With an internal recession, which resulted from the "tequila effect," it was only in [illegible]5 that the exchange of trade began to be favorable a[illegible] exports grew by 33 percent during the first 11 months.

The plan was launched in April 1991 after the country had suffered an inflation rate of 1,343.9 percent in 1990.

The results followed immediately: Argentina reduced the inflation rate to 84 percent during the first year of the plan.

In 1992 the Consumer Price Index (IPC) fell to 17.5 percent per year, and as of 1993 the inflation rate dropped to one digit: 7.4 percent in 1993 and 3.9 percent in 1994.

The record was reached in 19[illegible]5 when the plan achieved an inflation rate of 1.6 percent, the lowest in history, and even lower than that of the United States or France. Japan was the only country to have a lower inflation rate than Argentina.

The implementation of this program permitted a growth rate of 8.9 percent during the plan's first year; 8.7 percent in 1992; 6 percent in 1993; and 7.4 percent in 1994.

The increase in the foreign debt, which increased from 63.17 billion to close to 90 billion [currency not given] between 1991 and 1995, was another of the plan's negative points.

Convertibility plans are currently only being used in seven countries: Bermuda (since 1915), Brunei (1967), the Cayman Islands (1972), Estonia (1992), Hong Kong (1983), and Lithuania (1994), in addition to Argentina.

Argentina: Cavallo Takes Stock of Convertibility

PY0204231096 Buenos Aires CLARIN in Spanish 1 Apr 96 pp 13, 59

[Article by Economy Minister Domingo Cavallo]

[FBIS Translated Excerpt] [passage omitted] Taking stock of the convertibility plan five years after it was set into motion, we should view it as an integral part of the economic and social reforms instituted by the Menem administration, and recall the remarkable **change** in the day-to-day **behavior** of workers and businessmen, consumers and savers, tax-payers and citizens.

Argentina was enmeshed in a banking crisis in 1995. The cost in terms of losses suffered by savers was minimal even though, at the height of the crisis, deposits

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plunged by 17 percent — a similar decline to the one which caused thousands of banks to fail during the 1930's crisis in the United States. The **anti-cyclical measures** adopted in Argentina were based on the establishment of trust funds; a self-financing deposit insurance system; the reform of the Central Bank charter, which enabled the latter to act, within the limits imposed by convertibility, as last resort lender; amendments to the Financial Establishments Act to facilitate banks restructuring; and the replacement of the previous system governing reserve requirements with remunerated requirements, which by being applied to all banks' liabilities, guarantees liquidity.

These solutions, which have a **sound legal foundation** and little financial costs contrast sharply with the losses suffered by the Central Bank in the 1980's — which, according to conservative estimates, amounted to more than $100 billion — when solutions were discretionary and the issuance of money was not backed by an increase in foreign exchange reserves. These differences bring out the meaning of convertibility.

Congress will discuss a most significant law dealing with the revenue-sharing scheme. [passage omitted]

The present system lays emphasis on the enhancement of legal regulations seeking an equitable distribution of receipts that are earmarked for the revenue-sharing scheme and that contemplate the social and infrastructure problems that confront the different regions, but which at the same time will reward good administration efforts. **This is convertibility.**

There are those who, while acknowledging some of the virtues of the convertibility plan, tend to exaggerate its alleged shortcomings. These are the ones who have concluded that giving up the fixed rate of exchange has more advantages than disadvantages and demand freedom to issue money that is not backed by reserves supposedly to promote companies and marginalized sectors.

Following this line of reasoning, the problem of unemployment stems from convertibility. Those who substantiate their claims by mentioning the surge in unemployment last year should bear in mind that behind this phenomenon was a confidence crisis compounded by a generalized run on banks. Nevertheless, this confidence crisis was not due to convertibility. On the contrary, **convertibility prevented the problem from worsening.** The reason for this lack of confidence can be found in our history of defaults, and particularly in the fact that we did not make sufficient strides in two key questions, namely the ratio between our external debt — or debt service burden — and domestic saving and exports volume. These two factors prove the evils caused by decades of an inflation-ridden and closed economy can only be gradually eliminated.

The rate of domestic saving in Argentina is 10 points lower than in Asian countries. One cannot disregard that this greatly influenced previous instability, as did the lack of instruments to encourage saving, and the fact that our new social security system was only made effective two years ago. The **debt service burden** in Asian countries represents, on average, 13 percent of the value of their annual exports. For Argentina, the debt service burden has only now been reduced to 20 percent of its annual exports. During most of the 1980's, 50 percent of our exports — or more — went into servicing the external debt. One should not overlook the fact that this difference is, to a considerable extent, related to the transition from a closed economy to an increasingly open economy, in which exports are favored by inputs at competitive prices, and by electricity, transport, insurance, and telecommunications services at international quality and prices.

If the 1995 crisis taught us anything, it is that we must **deepen** our reforms in order to encourage a continuous and strong growth of our exports and that national savings must reach more ambitious levels in order to depend less on foreign saving. These two factors, and our recently earned prestige as a country that honors its commitments, will prevent future crises of confidence.

With respect to the so-called structural unemployment problems, let us just recall that the 1980's produced a growing occurrence of **disguised unemployment.** During that decade employment increased while the GDP dropped by nearly 10 percent. The unemployment rate was underestimated due to the discouragement of potential workers, the scarce participation of women and young workers in the labor market, and to the fact that our people looked abroad in search of a better future. During that period the labor force represented only 37 percent of the entire population.

In the 1990's, the opening of the economy, competition, and the state reorganization stripped this disguise from the unemployment problem. A larger participation of women and youngsters in the labor force, the reversion of immigration flows with the return of Argentines and the arrival of numerous groups of people from neighboring countries to join the local labor market pushed **the rate of activity** up to the current level of 42 percent.

These characteristics of the labor market allow us to contemplate the possibility of transforming **the problem** of unemployment into an **opportunity** for more vigorous economic development.

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The conditions for success are not unknown. On one hand we have government coordinated work that seeks to continue to reduce the **risk country rate.** On the other hand we must continue to modernize the institutions that condition the operation of the labor market: We must simplify labor regulations, reduce social security costs, thoroughly reform the health system, reorganize the social welfare system, improve education, and train our people.

When five years from now we celebrate the **10th anniversary** of the convertibility plan we will still have problems, without doubt.

But those problems will be different: Our problems then will be the problems of a country with a strong currency, because the peso will become a hard currency. This is no daydream. It is the logical consequence of a country whose productivity grows at 5 percent per year with an inflation that, at this moment, is below 1 percent per year.

Argentina: Highlights of Heroism of Falklands Veterans

PY0204190596 Buenos Aires TELAM in Spanish 1459 GMT 01 Apr 96

[FBIS Translated Excerpt] Buenos Aires, 1 Apr (TELAM) — Army Commander in Chief Lieutenant General Martin Balza today highlighted the heroism of the soldiers who fought in the Malvinas War, which took place in 1982, when he noted that they fought for a sentiment, but they were not adequately prepared for that confrontation.

The Malvinas War veterans "fought for a sentiment. We went there without any preparation for an insular war but, above and beyond any type of political consideration regarding the conflict, there is the truth of Argentina's resistance" on the southern archipelago, Balza said.

"We fought with very little, we fought as we could, we fought up to the limit possible, and we cried on the day of our surrender," he emphasized.

The Army commander gave an address during the ceremony commemorating the Day of the War Veteran, which was held in the Libertador Building. General Mario Benjamin Menendez, retired, the former governor of the Malvinas Islands, participated in the ceremony.

Military Affairs Secretary Jorge Baeza, Chief of Joint Staff Lieutenant General Mario Candido Diaz, and generals posted in the capital also participated in the ceremony.

Vice Admiral Alfredo Young, general naval secretary; Brigadier Francisco Serrat, deputy chief of Air Force Operations; and other authorities also participated.

Balza stressed that "we fought with honor, and in many cases the personal example, the sentient, serene, and reflexive heroism, were seen and present."

After recalling that the Argentine soldiers had been prisoners of war "of a foreign power," he said that "much grief still awaited the Argentine soldiers: The very somber reception that awaited our soldiers, those combatants who were not allowed to receive the fraternal embrace of shared pain." [passage omitted]

Argentina: Australian Ambassador's Credentials Received

PY0204225796 Buenos Aires TELAM in Spanish 1543 GMT 1 Apr 96

[FBIS Translated Excerpt] Buenos Aires, 1 Apr (TELAM) — President Carlos Menem today received the credentials of Warwick Eduard Weemaes, the new Australian ambassador to Argentina. Australia is making significant investments in various areas in Argentina.

The president met the Australian ambassador this morning at the White Hall of Government House. [passage omitted]

Argentina: UCR Proposal Decentralizes Municipal Activities

PY0304004896 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1132 GMT 2 Apr 96

[FBIS Translated Excerpt] Buenos Aires, 2 Apr (NA) — Fernando De la Rua, the Buenos Aires mayoral candidate for the UCR [Radical Civic Union] has released a project for the decentralization of municipal activities through Centers for Action and Participation [Centros de Gestion y Participacion].

With the goal of "a quick and effective response" for the demands of the population, De la Rua proposes dividing the city into 16 zones. A Center for Action and Participation would be established in each of these 16 zones.

The UCR candidate explained that these centers would handle "all municipal paperwork and claims," including the reception of claims on public services, working drawings, and environmental control. Cultural and educational activities would also take place in these centers. [passage omitted]

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De la Rua presented his proposal during a news conference at Congress. Enrique Olivera, De la Rua's running mate; Miguel Angel Inchausti, a candidate for the Buenos Aires bylaws assembly; Deputy Adalberto Rodriguez Giavarini; and Deputy Rafael Pascual also participated in the news conference. [passage omitted]

Argentina: Falkland Islanders' 'Dangerous' Autonomy Bid

PY0204162696 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1309 GMT 2 Apr 96

[FBIS Translated Text] Buenos Aires, 2 Apr (NA) — Foreign Minister Guido Di Tella today warned that the attempt by the Kelpers [residents of the Falkland Islands; term rendered in English throughout item] to obtain greater autonomy from Great Britain "is a very dangerous tactic that has been observed for some years now."

Di Tella was referring to the information released today on reforming the constitution of the Malvinas Islands, a reform that has been approved by the Kelpers and which gives them a majority on the Executive Council that governs the archipelago. This council has previously been dominated by officials named by the British Crown.

During a chat with journalists just before entering Stella Maris Church to attend a mass commemorating the 14th anniversary of Argentina's landing on the Malvinas, the foreign minister denied that this situation places in doubt his policy of "seducing" the inhabitants of the islands. Instead he maintained "that it is now more necessary than ever."

"For 170 years now we have not been able to find the right path on this subject. At this time a very difficult path exists, but it is the only one," he said, referring to the position that he has maintained for some time now.

The reform that has been approved increases the number of Kelpers on the Council from three to five; they can now block any initiative supported by the four members named by London: The governor, executive secretary, director of finances, and attorney general.

If this constitutional reform is implemented — it requires the approval of the British Government — the Kelpers will enjoy greater autonomy than they now have and they will be in a position to block the negotiations on fishing and oil that Argentina is currently pursuing with the UK.

Argentina: Menem on Cermony Marking Falkands Invasion

PY0204164396 Buenos Aires TELAM in Spanish 1359 GMT 2 Apr 96

[FBIS Translated Text] Buenos Aires, 2 Apr (TELAM) — President Carlos Menem presided over the ceremonies to mark the exploits of Argentina in the Malvinas Islands on the observance of the 14th anniversary of the Argentine troops' landing on the South Atlantic islands.

The head of state arrived at Stella Maris church at 0850 to hear Mass in commemoration of the troops who died in battle said by Army Chaplain Monsignor Norberto Martina.

Chief of Cabinet Designate Jorge Rodriguez, Defense Minister Oscar Camilion, Foreign Minister Guido Di Tella, and Buenos Aires Mayor Jorge Domingo were present at the memorial service.

Also attending Mass were Lieutenant General Mario Candido Diaz, chairman of the Joint Chiefs of Staff; Lieutenant General Martin Balza, Army chief of staff; Admiral Enrique Molina Pico, Navy chief of staff; and Brigadier General Juan Paulik, Air Force chief of staff.

During the homily, Monsignor Martina said: "By praying for our troops who fell in the South Atlantic, we reassert that sacrifice is certainly worth it."

The chaplain added: "To intercede on their behalf is to reassert that their death does not lead to death, but rather to life through the resurrection. He added that in the face of death "we only have two options open to us — either to listen to easy human opinions or follow Christ's demanding proposal."

Following the religious service, Menem and all the authorities went to the Malvinas War Memorial in San Martin Square, where they arrived at 1010.

After having sung the national anthem, Menem, Camilion, Di Tella, and Dominguez laid a wreath at the war memorial and then there was a moment of silence in tribute to those who fell in battle.

Lt. Gen. Diaz subsequently stated that "our heroes who perished in the South [Atlantic] constitute luminous milestones indicating to us that we should not desist from our endeavors to press home the recognition of our sovereignty over the Malvinas Islands by diplomatic means."

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Argentina: 14th Anniversary of Falkland's Veterans Day

PY0304020796 Buenos Aires TELAM in Spanish 1609 GMT 2 Apr 96

[FBIS Translated Text] Buenos Aires, 2 Apr (TELAM) — Defense Minister Oscar Camilion today emphasized the government's commitment to peacefully and diplomatically regain Argentine sovereignty over the Malvinas Islands.

In a cable to the Armed Forces and the Security Forces, Camilion renewed the government commitment "to peacefully, and by exclusively diplomatic means, regain full sovereignty over the Malvinas Islands."

The minister's message was broadcast today to mark the 14th anniversary of the Malvinas feat and War Veterans Day.

Camilion said: "To our war veterans: Thanks for having expressed, on those unrecovered islands, your professional capacity in carrying out operations under circumstances that were frequently critical and, in doing so, proving to the entire world the determination and courage of Argentine soldiers who are supported by a nation that will never renounce claims on its possessions."

Camilion emphasized: "As Argentines, we are proud of those who fought and died in their attempt to regain part of our territory."

Camilion pointed out: "The decision to save the problem of sovereignty (over the Malvinas Islands) for future talks is part of the emerging new international order."

The defense minister noted: "The collective security concept condemns and prevents the use of force to settle controversies among states, as specifically established in the UN Charter."

Camilion said the Argentine stance "is clearly supported by the 'uti possidetis juris' principle, which confirms as our territory all the Spanish Crown possessions that comprised Argentine territory when the (British) usurpation took place in 1833."

Camilion added: "With this specific scenario, therefore, we do not accept the invoking of principles of prescription (of Argentine rights on the Malvinas Islands) and self-determination."

He emphasized that the civilians and military personnel who participated in the Malvinas war "truly expressed the virtues of [Jose de] San Martin's [Argentine liberator] for this noble cause." He expressed appreciation to the war veterans' relatives.

Argentina: Former IBM, Bank Officials Indicted for Bribery

PY0304020196 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2309 GMT 2 Apr 96

[FBIS Translated Text] Buenos Aires, 2 Apr (NA) — Federal Judge Adolfo Bagnasco today indicted thirty former Argentine National Bank [BNA] and IBM executives, including former BNA President Aldo Dadone and former IBM head Ricardo Martorana in the case of the alleged payment of $37 million in bribes during the bidding of the Centenario Project.

Bagnasco considered that those who have been indicted are guilty of fraud against the public administration. The judge ordered a distress on the assets of those responsible and those considered necessary participants of 1 million pesos and a distress of 500,000 pesos on the assets of those considered to have had secondary participation.

The case for which the indictments have been issued refer to the presumed payment of a bribe to win the bidding for the installation of an informatics system in all BNA branches.

The magistrate, however, did not order any preventive detention in his resolution that was released this afternoon. Only the parts of the resolution referring to the indictments, not the arguments, were made public.

The list also includes former BNA and DGI [General Directorate of Taxation] Vice President Hugo Gaggero and 12 individuals considered accomplices of the crime of "fraud against the public administration caused by fraudulent administration."

Among the others, 14 are considered necessary participants and four secondary participants.

Those considered accomplices in the crime investigated by Bagnasco are, besides Dadone and Gaggero, former BNA directors Alfonso Millan, Cesar Manuel Ochoa, Juan Bautista Maria Rigal, Ricardo Cesar Imposti, Julio Alberto Dentone, Victor Julio Ernesto Bestani, Roberto Anibal Domenech, Mario Jorge Dadone — Aldo's brother — Genaro Contartese, and Alfredo Aldaco.

In IBM, besides Martorana, Bagnasco indicted Gustavo Soriani — former IBM vice president — Eduardo Pedro Garese, Luis Alberto Manfredi, and Manfredo Zwirner as necessary participants.

Also indicted as necessary participants are Juan Carlos Cattaneo, former presidential under secretary general and former adviser of Consad [Argentine Consultants for Development] — a company linked to the case — and his brother Marcelo.

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The list also includes CCR [Training in Rural Computation] executives Alejandro Mario de Lellis and Julia Oshiro.

The list is complete with Hector Andres March, Roberto Anibal Oneto, Hector Neira, Gabriel Murman, and Jose Salamanca, who are all accused of being necessary participants.

The judge indicted Anastasia Stenkowski, Ana Maria Nogueira, Monica Irene Lacoste, and Carlos Fabian Descalzo as secondary participants and levied a distress on their assets of 500,000 pesos.

The judge released Juan Ignacio Garcia del Rio (who was once accused of having a bank account in Switzerland where money of the alleged bribe was allegedly deposited), Raul Enrique Niszhang, Amalia Alvarez de Bollino, Mario Carlos Bonino, Ignacio Orcoyen (IBM), Hugo de Vita, and Eduardo Steinmann for lack of evidence.

Bolivia

Bolivia: Unions Strike Against Oil Privatization

PY0204225896 Buenos Aires TELAM in Spanish 1942 GMT 2 Apr 96

[FBIS Translated Text] La Paz, 2 Apr (TELAM-SNI) — Trade unions of transportation workers today expressed their disagreement with the upcoming privatization of the Bolivian Government Oil Deposits (YPFB) by holding a total strike.

Beside the total strike, there were violent protests on the streets of various Bolivian cities, leaving many injured and bruised people.

Due to the strike, called by the Confederation of Public Transportation Drivers [Confederacion de Choferes del Transporte Publico], which involved more than 100,000 members nationwide, most people walked to work.

Drivers and teachers, who are also on strike, occupied the La Paz Railroad Station — the railroad enterprise now is managed by the Chilean company Cruz Blanca — destroyed some railings, while some demonstrators burned two vehicles.

Interior Minister Carlos Sanchez went to the Railroad Station. He told journalists present: "We are reinstating order which had been criminally disturbed by drivers, teachers, and merchants." The police used anti-riot elements to disperse the demonstrators.

Market vendors blocked streets and prevented many shops from opening. Other violent incidents also took place when some groups threw stones at the windows of shops that remained open.

Due to the public transportation strike, most high schools were forced to suspend classes, retail shop activities were disturbed, and the large markets remained closed.

The most important highway leading to the El Alto Airport, in La Paz, was blockaded by union members. The police tried to disband them without violence.

The protests intensified a few hours before Bolivian Labor Federation (COB) representatives were scheduled to meet with President Gonzalo Sanchez de Lozada to discuss the capitalization of the state oil company and a list of labor demands, which includes the request for a substantial salary increase.

Sanchez de Lozada said on television yesterday that the process of capitalization "inevitable" in the case of the state oil company and "irreversible" in the case of railroad companies.

The announcement that the COB leadership would meet with the government prompted the criticism of the Teachers Federation, which is of Trotskyist orientation and is one of the most radical groups of the Bolivian union movement.

[Buenos Aires NOTICIAS ARGENTINAS is Spanish at 1953 GMT on 2 April says: "The Army has taken control of the city of Cochabamba, in the center of Bolivia, where last week the police stopped a hunger strike by 250 pensioners who were arrested and taken to a military base.

"According to labor sources, teacher Zenon Apaza Mamani was seriously injured during confrontations with the police in La Paz suburban neighborhoods.

"Around noon today La Paz was virtually paralyzed, without public transport and closed shops.

"Local radio stations reported that people from suburban neighborhoods joined in, protesting against the capitalization of the state oil company and demanding better salaries."]

Bolivia: Further on La Paz Demonstrations, Disturbances

PY0304030996 La Paz Radio Cadena Nacional Network in Spanish 2300 GMT 2 Apr 96

[FBIS Translated Text] Popular unrest has become noticeable. In addition to the workers, unemployed people and even juvenile groups have taken to the streets.

Acts of overt violence marked today's demonstration, to the point that Enfe [National Railway Enterprise] was almost burned. Two vehicles were burned: One of

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them belonged to the manager of the Chilean company Cruz Blanca and the other one belonged to one of the managers of the capitalized Enfe company.

Glasses were totally broken, including those of the passenger cars parked at the Central Station.

The police, who had been restrained until yesterday, energetically went out into the streets to disperse a demonstration held during a general strike by transportation workers in the city of La Paz.

Minister of Government Carlos Sanchez Berzain went to the scene of the disorders and saw how the fire slowly burned the station wagons owned by the executives of that Bolivian-Chilean enterprise.

[Begin Sanchez recording] A crowd has broken into those offices and has stoned them. Many of these people have been detained. They have taken some employees hostage. Some of the hostages are being released now. The crowd burned one vehicle and turned other vehicles over. [end recording]

The government is closely keeping track of Condepa [Conscience of the Fatherland] leader Carlos Palenque who, in the government's opinion, has been instigating the acts of violence through its media.

Teachers, union leaders, and transportation workers are all in the same bag. The executive branch will make an attempt to hold them responsible for today's outrages.

Minister of Government Carlos Sanchez Berzain reported that 51 people were detained in today's clashes in the city of La Paz, whereas other people, who participated in the clashes, are wanted by the forces of order.

The minister of government added that 12 policemen and a similar number of demonstrators were injured in today's acts of violence. A very serious case involved Francisco Poma Lopez, a demonstrator who lost part of a hand and was injured in one eye when a dynamite stick, which he was ready to hurl, exploded. Citizens Johnny Mirabal Lopez and Adrian Monzon were also injured by the explosion.

Sanchez Berzain also reported the implementation of citizens' security program, with the goal of preventing any type of acts of violence. This program involves the deployment of police forces in all those areas where violent situations could take place.

The minister of government ultimately announced that the government will enforce the law to punish any citizen who attempts to disrupt public order.

Brazil

Brazil: 'Retaliation' Seen in UK Ban on Corned Beef

PY0204203296 Sao Paulo GAZETA MERCANTIL in Portuguese 30 Mar-1 Apr 96 p A1

[Report by Claudia Facchini de Cesare in Sao Paulo]

[FBIS Translated Text] The UK has banned the marketing of beef from cattle over 30 months old, irrespective of origin. This measure is applicable on all South American beef and will make exports of Brazilian beef to the British market unfeasible because the average slaughtering age for cattle is 48 months in Brazil.

Brazilian monthly beef exports to the UK are worth nearly $9 million — the better part of which is "corned beef"; that is, canned cooked beef. Brazilian exporters have interpreted the UK measure as retaliation by the British Government. Ferdinando Carolo, president of the Brazilian Association of Meat-Exporting Industries (Abiec), said: "The measure is unjustified." British experts believe older cattle are more likely to transmit mad cow disease.

Brazil: Delegation Blocks U.S. 'Maneuver' in Cartagena

PY0204190396 Rio de Janeiro O GLOBO in Portuguese 31 Mar 96 p 45

[Report by Silvia Faria and Regina Alvarez in Brasilia]

[FBIS Translated Text] Brazil dealt the cards at the recent ministerial meeting of the Americas held in Cartagena, Colombia, from 19 to 21 March, to discuss the creation of a common market of the Americas by 2005. The Brazilian delegation blocked U.S. efforts — which have been regarded as a clearly protectionist maneuver — to implement early changes in the current trade rules.

The U.S. delegation sought to include social and environmental provisions in trade agreements with a view to erecting barriers in the future to imports from Latin American countries, primarily from Brazil. Ambassador Jose Botafogo Goncalves, who is in charge of the economic and trade integration department at the Brazilian Foreign Ministry, said the United States feared that Mercosur [Common Market of the South] would grow stronger and that this would make the region less dependent on U.S. exports. It has been estimated that by 2000 U.S. exports to Latin America will be equivalent to that from Europe and Japan.

CUT [Sole Workers Center] was the only Brazilian trade union organization that rejected the U.S. protectionist

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maneuver. According to Kjeld Jakobsen, CUT secretary for international relations, the Americans were urging Brazilian union leaders to charge that there is social dumping (noncompliance with workers' rights) in Brazil.

Jakobsen said: CUT detected the U.S. maneuver and rejected its proposal of imposing trade retaliatory actions on countries practicing social dumping.

The Cartagena meeting reinforced Brazil's position as the leader of the bloc of Latin American countries opposing U.S. interests. The United States also unsuccessfully tried to push a package of foreign trade measures ahead of the timetable set by the WTO.

The U.S. delegation had gone to Cartagena determined to approve a communique that would make the GATT Uruguay Round decisions — on which the WTO is based — the ground rules for moving ahead on the discussions concerning intellectual property; tariff reduction; access to new markets; removal of barriers for import of services; a code for government purchases; and the openness, simplification, and standardization of trade rules.

Only commitments to openness, simplification, and standardization of trade rules have been included in the final communique. Brazil and the Latin American bloc maintained a cautious position regarding the other topics, keeping the WTO rules as the guidelines for trade up until 2005, when the Free Trade Area of the Americas (FTAA) is to be established. Social dumping and environmental issues were generically included in the document.

Botafogo said: Brazil made it clear that it would agree to discuss those topics only in the appropriate forums. Social dumping is a topic of negotiations within the International Labor Organization, and environmental issues have their appropriate forums as well.

Brazil: U.S. Urges Earlier Enforcement of Tariff Cuts

PY0304020596 Sao Paulo GAZETA MERCANTIL in Portuguese 28 Mar 96 p A9

[Article by Maria Helena Tachinardi in Brasilia]

[FBIS Translated Text] Brazil has started to prepare the upcoming meeting of foreign trade ministers from 34 countries of the American continent, which will be held in March or April 1997 in Belo Horizonte. Brazil is not willing to give in to U.S. pressure and accelerate the process of reducing import tariffs instead of waiting to implement them in 2005, as had been established. By then, negotiations for the establishment of a Free Trade Area of the Americas (ALCA) will have been concluded.

"We want the negotiations to be held in blocks that include the issues of 11 groups of work, and we will not accept negotiations in slices. It is important for us to have access to markets and to remove barriers, because to export shoes and textiles, in addition to antidumping [preceding word in English] processes against steel products, we have problems with the U.S. market. The United States wants to negotiate first the opening of the telecommunications markets and government purchases. The Common Market of the South [Mercosur], however, does not want to break the advantages equilibrium," said Ambassador Jose Botafogo Goncalves, who is responsible for integration and foreign trade affairs at Itamaraty [Brazilian Foreign Ministry headquarters].

The United States and Canada propose that the deregulation of certain areas, such as those of telecommunications and services, begins before 2005. Brazil and its Mercosur partners (Argentina, Paraguay, and Uruguay), however, want to respect that date established during a ministerial meeting held in Denver last year.

"We disagree with the United States and Canada because these countries have strong industries and four or five times more productivity than the Brazilian industry, which has just been through a process of trade opening and would be harmed, in the short term, if the deadlines set for the establishment of a hemispheric free trade area are moved forward," Foreign Minister Luiz Felipe Lampreia said in an interview to JORNAL DO BRASIL on 27 March. "We want to act cautiously and with a sense of responsibility in areas where there is no consensus or where consensus will only be achieved through international organizations, such as the WTO, or subregional organizations," Lampreia said in Cartagena de las Indias, Colombia.

This year, Brazil will be a sort of temporary president of the ALCA and will organize three meetings of trade deputy ministers. According to Botafogo Goncalves, the administration will propose creating a committee comprised of a smaller number of countries "to grant support" to the work required to prepare the meeting that will be held in Belo Horizonte, Minas Gerais capital.

The Brazilian private area has been requesting better coordination, before the ministerial meeting is held, between the Industry, Trade, and Tourism Ministry [MICT] and the delegation that attended the Entrepreneurial Forum of the Americas in Colombia on 20 March. "The private area still has not joined the game and is scattered because a coordination mechanism is still missing. This area will, nevertheless, have a significant role because it will help formulate positions about

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what we are going to ask for and what we will grant," the ambassador said.

As a result of the United States insistence and going against the Mercosur plans, four groups were created in Cartagena de las Indias to work on services, governmental purchases, intellectual property, and competitiveness policies. Now that the services issue has been included in the agenda, the Brazilian Government began to get ready to discuss it. The MICT "is mobilizing the associations of the area" and Itamaraty will coordinate, with Inter-American Development Bank resources, a study about services, the diplomat reported.

"So far, one cannot say who has won and who has lost because the process is dynamic," Botafogo Goncalves said. In the Cartagena Declaration, the Brazilian and the Mercosur positions prevailed and the 2005 date for the conclusion of negotiations and the beginning of the tariff-reducing process has not been modified, but the United States was able to include in the declaration the four groups that will work on topics that are reason for concern, particularly to Brazil.

The ambassador said that the United States only agreed to maintaining the date in view of reality. "It is useless to compromise with trade opening because the entrepreneurs and the congresses must support this sort of commitment," he said. Among the Mercosur diplomats, in Brasilia, the Clinton administration's "active efforts" to accelerate trade deregulation is viewed as U.S. Trade Representative Mickey Kantor's interest in marking the Democratic Party's position in an electoral year. This position, however, apparently does not reflect the wishes of U.S. society as a whole.

Roberto Teixeira da Costa, the president of the Brazilian section of the Business Committee for Latin America who delivered the opening speech at the forum in Cartagena de las Indias before an audience of 1,500 entrepreneurs, said that "there is a degree of omission — be it a result of convictions or lack of knowledge — that includes government officials, entrepreneurs, universities, and those who shape a country's opinion. In addition, the political class is indifferent to the issue. Entrepreneurs want to be more and more heard. They can no longer be left out of the discussions."

Brazil: Country To Join Nuclear Supply Group Nations

PY0204194496 Rio de Janeiro JORNAL DO BRASIL in Portuguese 31 Mar 96 p 16

[Article by Tania Malheiros]

[FBIS Translated Excerpt] During the meeting of the Nuclear Supply Group (NSG), which will be held in Buenos Aires after 15 April, Brazil will probably be accepted as a member of the select group comprised of 30 countries — such as the United States, Great Britain, France, and Argentina — which are nuclear materials suppliers. At a first glance, it may even seem that Brazil has expanded its access to the international market, but it is not exactly so. The NSG is also used as a "control spring" for countries like Brazil which, although mastering the nuclear fuel cycle, are far from reaching all levels of nuclear technology that have been conquered by the First World.

The rules established by the NSG include a list of equipment that can only be traded from one country to the other, in a highly selective process. Summarizing, not everything can be sold to everybody. The NSG makes the exchange of technology easier when it is completely sure that the knowledge, or the product, will not be transferred to third countries, for example. Experts of the nuclear area have explained that these facilities are not automatically granted, although they can be used to improve the atmosphere reigning among some nations.

Through the NSG, zircalloy (a zirconium alloy used to produce the tubes that contain the fuel element for nuclear reactors) can only be sold to a country when this country already masters the technology for its production and has great protection in terms of international safeguards. The Brazilian Navy developed the zircalloy in partnership with the Institute for Nuclear and Energy Research (IPEN) and the National Nuclear Energy Commission (CNEN) in Sao Paulo, and will probably use it in the vase of the Renap-15 reactor, which the Navy has been building on land. As it already has the technology, Brazil can import the product, but under stringent control by the NSG. [passage omitted]

Brazil: Identity Crisis of PMDB Discussed

96SM0194A Rio de Janeiro JORNAL DO BRASIL in Portuguese 24 Mar 96 p 5

[Unattributed article in the "Politics" section: "A Party With An Identity Crisis"]

[FBIS Translated Text] Brasilia—The PMDB [Brazilian Democratic Movement Party], divided as always and more committed than ever to holding power, is holding its convention today and attempting to achieve a unity that is only apparent. All that is left of the bitter dispute that was predicted a week ago—when some elements in the party were waving the banner of the Banking CPI [Congressional Investigating Committee] and railing against social security reform—is the noisy claque from the MR-8 (8 October Revolutionary Movement). It looks like the convention will turn into a picnic

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celebrating the 30th birthday of the MDB [Democratic Movement Party]/PMDB.

Now that the administration has succeeded in replacing Senate President Jose Sarney (PMDB-Amapa) and massacring PMDB President Paes de Andrade (Ceara), the order of the day is to take a step back and gain some time. "This is not the time for the party to turn radical and make decisions in an emotional atmosphere," said Bahia Deputy Geddel Vieira Lima.

Fears

While President Fernando Henrique, backed by the PSDB [Brazilian Social Democracy Party] governors, talks tough about the oppositionist bent of the PMDB, the *peemedebistas* are becoming more focused in their willingness to break with the administration, encouraged by plans of their own to gain power in 1998. Some days ago, the biggest fear of Fernando Henrique's allies in the party was that the convention would adopt a resolution against his re-election. However, Rio Grande do Norte Deputy Henrique Eduardo Alves criticized this view, saying: "It would be a mistake to oppose re-election at this time. Tomorrow, however, that might be in the interests of the party and its nine governors."

On Friday, after innumerable meetings involving Sarney, Paes, and the leaders in the Chamber—Michel Temer (Sao Paulo)—and the Senate, Jader Barbalho (Para), the party president was the only one who still sounded like a radical. "Re-election will not pass," insisted Paes, displaying a message from former President Itamar Franco from which he inferred that the latter does not favor re-election: "I am sure the PMDB will continue to think of Brazil and the future, and not make concessions to the appeals of political opportunism," said Itamar.

Under these circumstances, all indications are that the PMDB convention will be a formality; the party's deeper problems will not be addressed. The PMDB's plans for this country and the nature of its function on the political scene are questions that will remain unanswered because the convention does not intend to delve into the heart of the problems. "That kind of conversation could go on forever. A party that is constantly experiencing an existential crisis has trouble finding its role in the political game," admitted Deputy Aloisio Nunes Ferreira (Sao Paulo). Or, as Luiz Carlos Santos (PMDB-Sao Paulo), the administration's leader in the Chamber, put it: "The way things are, not even Mother Dina [a fortuneteller currently enjoying media attention] could predict the future of the PMDB."

Factions

Historically divided into factions, the party in recent years has looked more like a Medusa with each lock of hair pointing in a different direction. The PMDB is no longer moving toward an outright split (because it is far from being a united party) but may be on the brink of fragmentation. "If we are unable to find common ground, we might be heading for a another rift," Deputy Alberto Goldman (Sao Paulo) predicted.

The party gives no sign that its members will be able to fall into step with each other, and now it must face the municipal elections. If the PMDB does well, so that it is no longer hobbled by its contradictions, it will have to find a figure who can give it a chance at power in 1998, whether his name is Jose Sarney, Itamar Franco—to whom the party has been talking—or someone else. But if the results are not good and the party loses ground in the south central region, the outlook is for a mass exodus.

The PMDB in Rio Grande do Sul, under the leadership of Governor Antonio Britto, would be the first to seek a new party alternative. "After the municipal elections, we will resume our discussions with the PSDB with a view to gluing the party back together," said Senator Jose Fogaca (Rio Grande do Sul).

PMDB Statistics

According to the office of the PMDB president, the party has:

- 9 governors
- 3 cabinet ministers
- 24 senators
- 97 federal deputies
- 260 state deputies
- 1,497 mayors
- 8,000 city councilmen
- 6 million members

PMDB Groupings

- GOVERNISTAS: The majority of party members are in this group and they are committed to the Fernando Henrique agenda. Included are the leader in the Chamber, Michel Temer (Sao Paulo), Senator Iris Resende (Goias), and Deputies Moreira Franco (Rio de Janeiro) and Geddel Vieira Lima (Bahia).
- SARNEIZISTAS: This group's attitude toward the government fluctuates between support and attempts at destabilization. Sarney heads this group, and its members include PMDB President and Deputy Paes de Andrade (Ceara), and the party's Senate leader, Jader Barbalho (Para).

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- QUERCISTAS: This group is composed primarily of deputies from the Sao Paulo branch of the PMDB such as Jose Pinotti, Carlos Apolinario, and Marcelo Barbieri. Its leader is former Governor Orestes Quercia, who never misses a chance to attack the administration. His allies were not uniformly opposed to the reforms.
- GAUCHOS: Most of the members of this southern group are sympathetic toward the PSDB. Among its most prominent figures are Governor Antonio Britto, Ministers Odacir Klein and Nelson Jobim, Germano Rigotto (the administration's leader in the Congress), and Senator Pedro Simon.
- PARAIBANOS: This group is motivated by regional interests. They are led by Senator Ronaldo Cunha Lima. Their representative in the administration is Secretary of Regional Policies Cicero Lucena. On the issue of reforms they were divided.
- MINEIROS: Their relationship with the administration is ambiguous and their mood depends on how they are treated by Governor Eduardo Azeredo. The most prominent in this camp are Deputies Newton Cardoso and Armando Costa, and Chamber Vice President Ronaldo Perim.

Brazil: Rio Grande do Sul PT Debates Party Alliances

96SM0194B Sao Paulo GAZETA MERCANTIL in Portuguese 18 Mar 96 p A8

[Article by Porto Alegre correspondent Guilherme Arruda: "PT Accepts Alliances With PSDB and PMDB"]

[FBIS Translated Text] The PMDB [Brazilian Democratic Movement Party] and PSDB [Brazilian Social Democracy Party] may participate in alliances that the Workers Party (PT) is planning to formalize in preparation for this year's municipal elections in Rio Grande do Sul, but they would have to satisfy certain requirements to do so. They would be accepted only in locales where both parties express clear opposition to the current economic policies of President Fernando Henrique Cardoso and Governor Antonio Britto, have a history of fighting social inequality, and an administration identified with PT ideals.

This was one of the chief conclusions drawn from the meeting held this weekend in Porto Alegre by the State Board of Directors of the PT, which discussed alliances policy and requests to form coalitions for the 1996 elections. The agenda of the meeting, attended by representatives from the state capital and 22 regional offices, was prepared by the Elections Working Group (GTE), a body appointed by the state leadership to handle the elections. The meeting focused on potential coalitions in the state's interior towns and cities.

"Our basic concern was to decide on criteria and provide guidance for the municipal boards of directors—not to concentrate the discussion on identification of possible locales where the PMDB and PSDB have sided with the opposition. That subject may come up at the next meeting, scheduled for 20 April," the chairman of the State Board of Directors of the PT, former Porto Alegre Mayor Olivio Dutra, said after the meeting. "Look, these two parties are affiliated with the administration and, therefore, with important problems such as unemployment and the disintegration of small businesses and of agriculture," he added.

"It has become clear, for example, that the PPB [Brazilian Progressive Party] and PFL [Liberal Front Party] are completely out of the running in Rio Grande do Sul. However, the parties that were part of the Popular Front in the 1994 elections (the PSB, PCB, PPS, PC do B, PV, and PST-U) [the Brazilian Socialist Party, Brazilian Communist Party, Socialist People's Party, Communist Party of Brazil, the Green Party, and the Social Workers Party-U] will be welcome, and encouraged to forge alliances," Dutra said. He noted that, with respect to the PDT [Democratic Labor Party], "there are lots of possibilities" for working together.

Brazil: Accord Signed To Control Border Areas

96SM0194C Sao Paulo GAZETA MERCANTIL in Portuguese 19 Mar 96 p A6

[Article by Buenos Aires correspondent Jorge Luiz de Souza: "Legalization of Palestinian Immigrants"]

[FBIS Translated Text] Brazil will conduct a triage in an attempt to legalize the status of Palestinian-born immigrants who now reside illegally in the area near the three-nation boundary at the junction of the cities of Foz do Iguacu in Brazil, Puerto Iguazu in Argentina, and Ciudad del Este (formerly Presidente Stroessner) in Paraguay.

This information was provided yesterday by Justice Minister Nelson Jobim. He said those people "are now the hostages of criminal organizations, such as the Korean Mafia," that operate in trade on the Paraguayan side of the border "and to terrorist organizations."

Jobim had traveled to Buenos Aires to sign the agreement that will permit security forces to carry out joint operations for the triple border. Also signing were his counterparts, Carlos Corach, Argentine minister of the interior, and Diogenes Martinez, minister of interior for Paraguay. Presiding over the ceremony was Argentine Presidente Carlos Menem, whose most prominent cabinet ministers were also in attendance.

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Also representing Brazil were Minas Gerais Governor Eduardo Azeredo and Ambassador Marcos Azambuja. According to Menem, "crime has become globalized, and so the battle against it must also cross borders." Menem assailed the fundamentalist religious (Muslim) community as contributing to the lack of security in the region.

Over the years, the area where the three cities meet has become an enormous smuggling zone. Last year, goods estimated to be worth about $10 billion passed through it. Most of it ended up in the "Paraguayan street markets" found in major Brazilian cities.

However, as a diplomat involved in negotiating the agreement explained to this newspaper, the decision to administer special treatment did not come until after Paraguay realized that it no longer had any control over the area, which had become a center for the arms traffic, laundering of drug money, and passive harboring of people involved in acts of terrorism.

The Argentine Government took the initiative, beginning last year, of pressuring Paraguay to sign this agreement because Argentina was particularly worried about terrorist acts. Yesterday, Menem recalled that 18 months had passed since the attack on a Jewish organization in Buenos Aires, in which 86 people died. He also noted that the day before yesterday was the fourth anniversary of the explosion at the Israeli Embassy in Argentina, where 29 people died.

Residents of the region will be given special identity cards, issued by their country of residence and validated by the other two countries. These people will pass through special gates at the border checkpoints. Also, the police forces of the three countries will share electronic record-keeping systems. For instance, the Argentine and Paraguayan police will now have access to the Renavam (National Vehicle Registry), in which more than 98 percent of Brazil's automobiles are registered.

Chile

Chile: Finance Official Comments on Mercosur, Budget

PY0304004796 Santiago EL MERCURIO in Spanish 29 Mar 96 p B5

[FBIS Translated Text] Finance Ministry Budget Director Jose Pablo Arellano has said the reduced tax collection that will follow Chile's entry into Mercosur [Common Market of the South] will not create problems within our budget.

Elimination of tariffs contemplated in the agreement with Mercosur includes an immediate 40 percent reduction on most products that are exchanged, while others will be phased out over the next few years.

Although he declined to provide estimates concerning the decrease in revenues — "this is not the time to release information because we are in a process of working with Mercosur" — he explained that although the figure is not significant, it is "perfectly compatible with our budget proposal for 1996 and the following years."

He explained that as this is a process of gradual tax reduction — over periods of 10 years and more — there will be no further problems because the impact will not only be for one year but for much longer periods of time.

Arellano said this process will be repeated in other agreements as they are negotiated, as in the case of what is happening with Canada.

Moreover, as example that the effects are not too great, he pointed out the trade agreement with Mexico which represented no greater problems for the Chilean Treasury.

He said, however, that no effective study has been made to determine how much the situation in Mexico has changed since the treaty which liberated trade with Mexico.

The mechanism that justifies the small effect on the budget is clear, and the budget director said: The agreements will generate greater economic activity with the consequent growth of the country and increase in exports, and as a logical conclusion, more revenues.

Arellano added that this will "more than compensate for the tax effects that might take place in time."

For this reason the budget director denied the possibility of creating new taxes as a way to face the reduction of revenues: "We are not considering this."

Chile: Peasants Protest Against Agreement With Mercosur

PY0204225196 Santiago EL MERCURIO in Spanish 29 Mar 96 p A1

[FBIS Translated Excerpt] About 5,000 peasants blocked various sections of Southern Highway No. 5 during a six-hour demonstration as of 0700 on 28 March to protest against the agreement reached by Chile with Mercosur [Common Market of the South] member countries.

Peasant leaders demanded that negotiations with Mercosur member countries be reviewed because immediate tariff preferences will be assigned to agricultural

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products coming from this commercial block as of 1 July. They believe the measure will harm thousands of Chilean farmers. [passage omitted]

An official source stated that the demonstration was held in an atmosphere of tranquillity. No incident or arrest was reported. The special equipment brought in to clear the highway was not needed as the demonstrators voluntarily achieved the task.

The National Agriculture Confederation [SNA] agreed with this evaluation by the executive branch. SNA chairman Ernesto Correa noted that the demonstrations staged mainly from the Sixth to the Tenth Regions were orderly.

He disagreed with those who said there was little support for the measure. He said it was very significant; the demonstrations were endorsed by business and transportation organizations, and by congressmen from various blocs. [passage omitted]

He said that order was the significant characteristic of the demonstration. In view of this, the authorities will not enforce the State Security Law which considers the call for strike and the illegal occupation of highways and other public routes a crime. [passage omitted]

Chile: Daily Views Mercosur's Effects on Agriculture

PY0204182596 Santiago EL MERCURIO in Spanish 1 Apr 96 p A3

[Editorial: "Agriculture and Mercosur"]

[FBIS Translated Text] Chile's imminent association with Mercosur [Common Market of the South] has unleashed a broad and heated debate on possible effects it would have on forestry, agriculture, and livestock sectors.

Several opinions have been issued on the matter, from the apocalyptical projections by the SNA [National Agricultural Association] to the soporific remarks by some officials who rule out possible greater consequences. The negotiators, perhaps well informed about possible reactions, decided to keep an intermediate position, and the agreement that would have been signed in June 1996 contemplates an exceptional treatment for agriculture, which will be given between 15 and 18 years to be adapted to the demands of more open competition.

A set of support policies has been outlined for this transition period and the government should promote it. Some have defined this set of policies a compensated transformation, a dangerous name because of the expectations it could create and because of the high costs it could generate in the long run for the farmers themselves, who are the object of support. Let's not forget that 30 years ago, after granting the farmers an assortment of overt or covert compensatory subsidies, the administrations, which were used to making practically all decisions related to cattle-raising and agriculture, ended up depriving the farmers of their land.

The possibilities of reaching such an extreme are very remote, but tremendous damage can be caused to the development of forestry, livestock, and agriculture should the policies implemented as a pretext for association with Mercosur be inadequate.

The current situation is that, by government decision, most of the traditional agriculture is protected from foreign competition, and producers have made their decisions within the framework of that scenario. Now the government wants to modify it, and the farmers fear that the adaptation cost would be too high.

Subsidies of the past have been rejected for being inappropriate and ineffective, and the most sensible thing would be to acknowledge that many macroeconomic and institutional policies discriminate against the development of forestry, agriculture, and livestock. If the political decision is to gradually dismantle protectionist measures, the natural thing would be to act likewise with negative discrimination.

Agriculture is discriminated against in the fiscal area when double taxation is enforced, which implies a tax on alcohol and a value-added tax [VAT], when the tax on imported goods and a double tax standard are kept high according to the size of the exploitation.

In the monetary and credit areas, agriculture, the field with less capital than other areas, rigorously suffers the high interest rate policy to neutralize the excesses in public expenditures. Moreover, it is affected by insufficient lines of credit for working capital with a one-year payment period.

In the exchange area, everything that used to be done to avoid increases in the exchange rate damages agriculture, which is a typical producer of tradable goods.

In the institutional area, housing, education, health, training, and technological development policies have a clear inclination toward urban inhabitants, to the detriment of rural development. By the same token, the delay in approving the bill creating the commodities exchange because of a problem involving the VAT and the law on exploitation of native forests are all examples of how agriculture is defended without much diligence.

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In sum, the first thing farmers should have demanded is the correction of the forms of discrimination affecting them.

Chile: Daily Reports on Laguna Del Desierto Controversy

PY0304020296 Santiago EL MERCURIO in Spanish 2 Apr 96 p A12

[FBIS Translated Text] Even though the arbitration has been implemented, the Laguna del Desierto controversy between Chile and Argentina persists.

Through notes, they have now explained their respective stances on the subject to the governments of the world.

After the arbitration court was dissolved in early March, Chile issued a note stating that, although it accepted the ruling, it by no means shares the reasoning upon which it is based.

This initiative does not alter the ruling that awarded the Laguna del Desierto zone to Argentina, however, through this political act, Chile is stating that the ruling must not be considered a precedent.

The Argentine Foreign Ministry reacted immediately, responding to the Chilean offensive by issuing a similar note refuting the Chilean argument.

In its note, Argentina ratified the validity of the ruling by explaining that it fully abides by the law.

The Argentine Foreign Ministry added that, therefore, there is no room for any claim.

It also states that any arbitration establishes a precedent.

These acts, at a diplomatic level, are undoubtedly focusing on the possible failure of Congressional ratification of the agreement establishing the border in the zone of the southern glaciers.

Chile has already submitted a note to the arbitration court objecting to the grounds on which its ruling is based. Once the court considered the ruling executed, the government deemed it convenient to explain its stance to foreign ministries of the world.

Foreign Minister Jose Miguel Insulza refused to confirm or deny this yesterday, stating that first he had to inform Congress.

Chile: Carabineros Chief Announces Plan for Security

PY0304031196 Santiago EL MERCURIO in Spanish 2 Apr 96 p C11

[FBIS Translated Excerpt] Carabineros Director General Fernando Cordero has revealed a 10-year institutional strategic plan to improve efficiency and successfully face the challenge created by crime and public security in face of the new sociopolitical and economic situation in the country.

General Cordero pointed out the importance of real cooperation of all social agents to keep tranquility and social peace. He said: "Order and security are essential for our institutional strategy. Within this context, it is very important to have a good relationship between Carabineros and the citizenry as an effective way to provide a better service to the people." [passage omitted]

The security plan includes the following aspects:

Strengthening public security.

Greater presence of Carabineros. Order and security personnel currently carrying out administrative functions will be gradually reassigned to operational functions for the benefit of the community.

Reorientation of the functions of female Carabineros to carry out tasks involving greater human understanding; such as domestic violence, traffic control, and tasks related to minors.

Reorganization of the current institutional structure to give police action more efficiency. The new Border and Special Services Directorate and the Drug and Crime Prevention Directorate, which are internal organizations to strengthen traditional specialized functions, are already operating. [passage omitted]

Colombia

Colombia: Brother of OAS Secretary General Kidnapped

PA0204235696 Santa Fe de Bogota Emisoras Caracol Network in Spanish 2225 GMT 2 Apr 96

["Special News Bulletin"]

[FBIS Translated Text] Juan Carlos Gaviria Trujillo, brother of Cesar Gaviria Trujillo, former president and current OAS secretary general, has been kidnapped in Risaralda Department. We have details from Harmodio Campo, our news director in Risaralda Department:

[Campo] The vehicle of industrial engineer Juan Carlos Gaviria Trujillo was found at 1000 in the area of (Cafelia). The authorities have declared that he has been kidnapped. At this time, a special security council is being held at the Risaralda Police headquarters. The council is led by Colonel Alvaro Pantoja Ibanez, commander of the Risaralda Police, acting Governor Carlos Alfonso Victoria, and Goverment Secretary Humberto Agudelo. The commander and the authorities are analyzing the situation. In less than two months, two figures, [words

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indistinct] the brother of OAS Secretary General Cesar Gaviria, have been kidnapped in the center of the city of Pereira. The first of these figures was businessman Alcides Arevalo, a personal friend of Dr. Gaviria, who was released one week ago.

So far it is not know what type of organization, whether common criminals or a subversive group, kidnapped Juan Carlos Gaviria. He is involved in the construction sector and has built important housing areas in Pereira.

We are waiting for the conclusion of the special security council analyzing the situation and the release of an official communique on the kidnapping of the brother of former president Cesar Gaviria Trujillo.

Colombia: Communique on Kidnapping of OAS Head's Brother

PA0304011296 Santa Fe de Bogota Radio Cadena Nacional in Spanish 2330 GMT 2 Apr 96

[Report by Luis Eduardo Maldonado at Narino House; from the "RCN Radio Events" newscast]

[FBIS Translated Text] The Colombian Presidency has just issued the following communique regarding the kidnapping of Juan Carlos Gaviria Trujillo, brother of OAS Secretary General Cesar Gaviria:

President Ernesto Samper Pizano has placed anti-kidnapping czar Alberto Villamizar Cardenas in charge of coordinating all state security bodies — the Administrative Department of Security, the police, and the Army — in Risaralda Department to try to find Mr. Juan Carlos Gaviria Trujillo, who disappeared in Pereira today.

The president is very concerned about this incident and has asked Mr. Villamizar Cardenas to travel to Pereira this evening to head the necessary efforts to make sure that Gaviria Trujillo will return to his home safe and sound.

[Issued] Narino House, 2 April 1996.

RCN has learned that anti-kidnapping czar Alberto Villamizar is arriving at Eldorado Airport at this time to travel to Pereira in the next few minutes.

Colombia: U.S. Envoy, 'Empire' Mentality Criticized

PA0204232896 Santa Fe de Bogota EL ESPECTADOR in Spanish 29 Mar 96 p A2

["Password" column by Ramiro de la Espriella: "Things of the Empire"]

[FBIS Translated Text] One ought not be surprised by the statements about Colombia made by a diplomat who is as Versaillesque as proconsul Frechette. And it does not matter that he has referred to the Congress lately, because the Empire, with a capital E, is involved; not even Jesus Christ was tried under the laws of his stock but by Pontius Pilate in the name of Roman power.

The Colombian Foreign Relations Ministry has protested against this meddling. And some segments of the population want the Colombian Government to declare the proconsul persona non grata. In view of the circumstances, this declaration would also have to include the U.S. Government and Congress, which send so many unfriendly signs to Colombians on a daily basis. With a friend like this who needs enemies?

The argument of the Empire's headquarters is that coca production and export threatens the national security of the United States and corrupts its youth. The doors of intervention are opening again to sacred imperial interests now that the anticommunist struggle is over.

The logic of the empires is self-accomodating and gray from any standpoint. This unappealable ruling leads to the definitive conclusion that coca is devastating the world, or at least U.S. youths, or the Europeans, or the growing Asian population. And thus, a punitive sanction was immediately warranted.

Meanwhile, scientists of various nations are now warning about the destruction of the ozone layer in the world, in the entire world, here and there due to the devastating effects of the massive production of sprays, which is a highly profitable product of the great U.S. industry, in particular. And we are not referring to one country, but to every earth inhabitant, without exception. So far, no one has decertified the U.S. Government or the great U.S. industry for growing rich at the expense of the destruction of the environment and the human race.

Western civilization has cleared forests and the source of life of the ecology, and despite scientific progress, it has not been able to pay this debt to humanity.

They are now demanding respect for human rights, German organizations stand out among such voices, but they have forgotten that Jews in nations invaded by Hitler's armies were turned into soap at concentration camps.

And U.S. Attorney General Janet Reno stands as a symbol of the inalienable rights of the Empire. Reno, without the slightest moral regret, blackmailed Colombia into bartering certification for the revival of extradition. Regardless of whether one agrees with extradiction, attempts to impose it from abroad in exchange for a questionable good conduct certification sneakily hidden under Uncle Sam's sleeve are inadmissible.

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These are things of empires. This is proven by history.

Colombia: Effects of Decertification on Loans Viewed

PA0204164296 Santa Fe de Bogota EL ESPECTADOR in Spanish 30 Mar 96 p B1

[Report by Gilda Sarmiento]

[FBIS Translated Text] Every cloud has a silver lining.

This was the conclusion reached by Energy and Mines Minister Rodrigo Villamizar, who following the U.S. decertification packed his bags and flew to Sweden, Norway, and England to try to replace the necessary credits to avoid a paralysis of electric power generation and Ecopetrol [Colombian Petroleum Enterprise] projects.

"I left Colombia thinking that several credits were in danger following the decertification," he explained.

Finally, only one loan totaling $180 million, intended for Ecopetrol for the construction of the Central pipeline, was affected because it was not approved by the Eximbank.

The other resources for Ecopetrol and urgent thermoelectrical projects such as Tebsa and Termocentro, which were in the implementation or approval stage, will proceed.

However, credits to Colombia have increased.

On one hand, the U.S.-based Chase Manhattan Bank offered resources and in Europe, state-owned and private banks are ready to replace any credit the country may need, especially for electric power, gas, petroleum, and mining projects.

Norway's and Sweden's Bancoldex as well as private banks from both countries confirmed their readiness to offer credits. In England, even three banks that in the past had a few dealings with the country expressed their interest in offering credits: Barclays Bank, Midland Bank, and Lloyds Bank.

Ecopetrol, Good Rating But...

Risk assessing company Moody's Investors Service assigned an initial rating, stated in foreign currency, of Baa3 to the $150 million in bonds of Ecopetrol.

This represents a sign of confidence to invest in bond issues from the oil industry.

This rating recognizes the reserves of hydrocarbons totaling 2.1 million barrels of petroleum and 4.9 billion cubic feet of gas; the solidity of the cash flows; and the relatively low risk of prospecting and production activities. Nevertheless, it warned that although measures were taken to attract foreign capital, more incentives are required for future investments. Moody's Investors Service also stated that the guerrillas constantly attack the pipelines.

Private Investment in Electric Power Generation

Entry into operation:	Between 1996 and 2000	
Generation capacity:	2,939 megawatts	
Project	Source	Department
Tebsa	Gas	Atlantico
Termovalle	Gas	Valle
Termopaipa IV	Carbon	Boyaca
Termocesar	Carbon	Cesar
Porce II	Hydraulic	Antioquia
Urra	Hydraulic	Cordoba
Miel I	Hydraulic	Caldas

Colombia: Vice President Called 'Natural Successor'

96SM0202A Santa Fe de Bogota EL TIEMPO in Spanish 1 Apr 96

[Commentary by Fernando Cepeda Ulloa — received via Internet]

[FBIS Translated Text] I have insistently defended the institutional line for dealing with President Samper's situation. It is simply obvious: if the Constitution is not applied or is inapplicable during times of crisis, the latter just becomes worse. The constitutional mechanisms, properly applied, are those that enable a democracy to surmount even the worst of times. And when this happens, democracy emerges reinforced.

Defending the effectiveness of the institutional line in President Samper's case is totally inconsistent with the idea of promoting an anti-institutional or extra-institutional line in that of Vice President De la Calle. The Constitution of 1991 states quite clearly that the vice president is the person called upon to succeed the president of the republic if that contingency should ever arise. This rule should be upheld, among other less obvious reasons because that is the nature of the presidental system.

One of the features that distinguish it from the parliamentary system is that relating to the duration of the

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head of government's term. In the parliamentary system, there is no set period, and that makes it more flexible and adaptable to crisis situations. In the presidential system, there is a predetermined period that can neither be extended nor shortened.

The institution of the vice president was, in fact, created so as to have a clearcut, democratic, institutional solution, known to everyone in advance, and guaranteeing a natural succession that cannot take anyone by surprise, when the president of the republic or the circumstances so require.

Just as the Chamber of Representatives is the natural accuser of the president, and the Senate and Supreme Court (when the Senate so decides) are his natural judges, the natural successor is the vice president. Neither the one nor the other should be subject to modifications based on expediency, because that would seriously pervert the constitutional process.

Disregarding the constitutional right (and surely the obligation) of the vice president would be equivalent to the proposal, already disavowed by the Supreme Court, for taking the examination of the president's conduct directly to that court, without heeding what might be decided on the jurisdictional levels of the Chamber and Senate.

Hence, calling for elections to find a successor for President Samper is far more than that: it means setting a grave precedent perverting the presidential system, which would distort it by introducing a vital mechanism of the parliamentary system, also distorted.

I cannot see what arguments or circumstances could prompt Vice President De la Calle to renege on his responsibility. Even those who had sought something equivalent changed their position drastically at the beginning of this year. To replace a clearcut, constitutional solution of an automatic nature (because it is not subject to any prior evaluation or decision) with an option as complex as that of advancing presidential elections and, surely, those of Congress, while simultaneously introducing a new system of disqualifications, would lead to an interminable and, possibly insuperable debate: Would the ex-presidents, ministers, mayors, and governors be eligible? What about ambassadors and members of Congress? And for the Senate and the Chamber, who would be eligible and who would not? And why take all this trouble when the Constitution itself offers an automatic solution which, moreover, is personified by a figure who has the admiration and respect of his fellow citizens, and who was selected and subjected to the people's judgment by President Samper himself?

And are we to invent still more problems for ourselves? Are we to put ourselves on the slippery terrain of unconstitutionality? Let us take a strong stand on the institutional path for the president, for the vice president, and for Colombia.

Colombia: Maximum Prison Term Urged for Cartel Leader

PA0304035296 Santa Fe de Bogota Radio Cadena Nacional in Spanish 2330 GMT 2 Apr 96

[Report by Asdrubal Garcia; from the "RCN Radio Events" newscast]

[FBIS Translated Text] The Prosecutor General's Office requested the regional court to sentence Cali cartel leader Miguel Rodriguez Orejuela to the maximum term of 24 years in prison. Rodriguez Orejuela is the only drug trafficker currently facing trial charged with having shipped 500 kgs of cocaine to Tampa, Florida.

The Prosecutor's General's Office advised the judge in charge of the case that since Rodriguez Orejuela had decided not to cooperate with the judicial authorities, he is ineligible to receive any reduction in his sentence, and he reiterated that the drug trafficker should receive the maximum sentence of 24 years.

The prosecutor's office decided to have Rodriguez Orejuela stand trial on October 1995 based on evidence provided by U.S. authorities.

The trial began on November 1995 and reached a deadlock when the judge requested U.S. authorities to elaborate on some of the evidence, including having Michael Curtis Anderson, the DEA witness who participated in the shipment operation, identify Rodriguez Orejuela through a photograph.

Ecuador

Ecuador: Emergency Declared in Earthquake-Affected Areas

PY0204181896 Quito Voz de Los Andes in Spanish 1700 GMT 2 Apr 96

[FBIS Translated Excerpt] Ecuadoran President Sixto Duran-Ballen this morning declared a state of emergency in the earthquake-affected zones, that is, in the towns of Pugili, Salcedo, and other zones from both the Cotopaxi and central regions of the country. [passage omitted]

The president declared a state of emergency this morning and decreed a zone of emergency in the areas of Pugili, Salcedo, and Saquisili, in the province of Cotopaxi, and ordered national and regional officials to

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cooperate with national defense officials to help victims of this catastrophe.

In his announcement, the president of the Republic also ordered the Finance Ministry to provide the essential economic resources to fulfill the objectives of this decree, in accordance with the budget. [passage omitted]

The decree was signed on 1 April by the president of the Republic and by the ministers of agriculture, health, public works, national defense, finance, and government.

Peru

Peru: MOMEP Says Ecuador Did Not Violate DMZ

PY0304032596 Lima EXPRESO in Spanish 2 Apr 96 p A4

[FBIS Translated Text] According to reliable sources, on 1 April, after the first day of the Ecuador-Peru Military Observers Mission (MOMEP) Superior Consultative Council's meeting — which concluded today — the organization drafted a press communique that does not acknowledge the infiltration of Ecuadoran troops in the demilitarized zone [DMZ] as was reported by Peru on 28 February.

However, it was learned that the MOMEP communique does acknowledge the presence of a small group of military personnel in the areas mentioned by Peru, although this does not imply — in the MOMEP's opinion — the presence of Ecuadoran troops.

However, as has been noted previously, information provided by military observer sources in Bagua, the MOMEP has verification reports — even signed by an Ecuadoran observer — that mention the existence of food rations, soft drink bottles, as well as metal tubes, that indicate the presence of Ecuadoran troops in the areas mentioned in November 1995.

The mentioned communique also talks about the presence, as mentioned in a previous MOMEP communique, of heliports and rustic buildings not built recently.

Moreover, it requests the parties to take the necessary measures to prevent the violation of the air space of the demilitarized zone.

Moreover, it was learned that during yesterday's meeting the MOMEP discussed Ecuador's commitment to "clear" the 60,000 mines indiscriminately planted during last year's armed conflict.

The meeting also discussed the maintenance of land markers, in addition to measures to step up mutual confidence among which are the exchange of visits by high-ranking military officers of the border zones.

It was also learned that current MOMEP coordinator general, General Francisco Albuquerque will be replaced in June.

The mentioned meeting was attended to by Gen. Francisco Albuquerque, the Peruvian and Ecuadoran military liaison officers before the MOMEP, Generals Daniel Mora and Cesar Durand respectively, the military representatives of the four guarantor countries, and the military observers of Peru and Ecuador who belong to the MOMEP, Victor Olivari and Jorge Luis Brito, respectively. Unlike other occasions, the meeting was partially videotaped.

Peru: MOMEP Asks Ecuador To Step Up Security on Border

PY0304032396 Lima EL COMERCIO in Spanish 2 Apr 96 p A1

[FBIS Translated Text] The Ecuador-Peru Military Observers Mission [MOMEP], comprising officers of the Rio de Janeiro Protocol guarantor countries, privately asked Ecuador to step up security measures and avoid the entry of any person or aircraft into the demilitarized zone on the border with Peru, where the military clashes between the two countries were staged in early 1995.

MOMEP, which has started the third phase of its tasks in the 528-square-km area, made the request in view of Peru's report about one month ago regarding the discovery of Ecuadoran heliports in the demilitarized zone and the repeated violation of Peruvian air space by Ecuadoran aircraft.

It was learned that the possibility of including a radar among MOMEP's equipment to immediately detect the entry of aircraft or helicopters to that zone is being assessed.

The request to Ecuador was only made at an internal level because the communique to be issued today by MOMEP, whose consultative council yesterday started a round of talks in Lima, states that the request is made to both parties, so that MOMEP may continue to fulfill its task of safeguarding peace and tranquility.

Since the only report came from Peru, it is interpreted that the warning is implicitly addressed to Ecuador.

The consultative council started its meetings at 1000 at the Brazilian Embassy. Several issues were discussed on the occasion, among them the report on the Peruvian complaints.

Although it is stated in principle that Ecuador did not violate the Itamaraty Peace Declaration, it is allegedly stated that, according to the land verifications and investigations, "there are signs of the transit of a reduced

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number of people through the area," referring to the zone mentioned by Peru, during or after July 1995.

MOMEP, at the end of today's meetings, may reiterate that absolute normalcy prevails in the zone under its control and that no incidents have taken place since October 1995.

Peru: Cabinet Chief Dante Cordova Resigns

PY0204193396 Madrid EFE in Spanish 1916 GMT 2 Apr 96

[FBIS Translated Text] Lima, 2 Apr (EFE) — Dante Cordova, president of the Council of Ministers, submitted his resignation today.

The letter of resignation was read by Radio Programas. Government sources did not confirm or deny to EFE if President Alberto Fujimori had accepted Cordova's resignation.

Cordova's resignation implies the immediate resignation of all cabinet ministers.

The sources consulted by EFE at Government House only said that President Fujimori was holding meetings all day with several ministers but the content of the consultations was not disclosed.

In addition of being chief of Fujimori's cabinet, Dante Cordova was also education minister.

Disagreements have been reported in the last few weeks between Cordova and Economy Minister Jorge Camet, whom Fujimori confirmed recently in his position.

Peru: Fujimori Accepts Resignation of Cabinet Chief

PY0204205496 Lima Radio Programas del Peru Network in Spanish 2035 GMT 2 Apr 96

[Live relay by Manolo Torres from Government House]

[FBIS Translated Text] The Presidential Press Secretariat just released an official communique confirming the resignation of Dante Cordova Blanco, president of the Council of Ministers. The official document says:

Dante Cordova Blanco submitted his resignation as education minister and president of the Council of Ministers to President Alberto Fujimori this morning. After accepting his resignation, President Fujimori thanked Dante Cordova for his valuable service to the country in holding those positions. As it is usual in this case, the other members of the cabinet also submitted their resignations. The official communique also summarizes the activities carried out by Dante Cordova in his public life. The communique concludes by saying that President Fujimori is evaluating the appointment of a new president of the Council of Ministers with the purpose of creating a new cabinet team.

This is the content of the official communique released a few minutes ago by the Presidential Press Secretariat.

Peru: Fujimori Said To Request Cordova's Resignation

PY0304030296 Lima America Television Network in Spanish 0100 GMT 3 Apr 96

[FBIS Translated Text] President Alberto Fujimori asked for the resignation of Dante Cordova, president of the Council of Ministers [words indistinct], therefore all the members of the cabinet have submitted their resignations. President Fujimori thanked Cordova for his services. It was learned that Fujimori is now evaluating who will replace Cordova. Well-informed sources said that this was a necessary measure to reorganize the cabinet and to begin the relaunching of the government program.

[Begin unidentified reporter recording] The members of the cabinet began to arrive at Government House at 1000 today. It was obvious that it was not the usual cabinet meeting because these meetings are usually held at night. Everything was indicating that something very serious had to be resolved at Government House. And this is what happened. After a few hours, the resignation of Dante Cordova as head of the Council of Ministers and the Education Ministry was made public. Then all the cabinet members submitted their resignations. [words indistinct] the publication of a guide on sexual education, which was criticized even by President Fujimori, was reportedly the reason for Cordova's resignation. But apparently this is not true.

According to well-informed sources, Dante Cordova resigned at the request of President Fujimori because it was necessary to carry out a cabinet reshuffle. This is an important cabinet reshuffle because it is with the purpose of relaunching the government program to overcome the economic instability caused by the Upper Cenepa River conflict with Ecuador. The relaunching of the government program is aimed at overcoming the recession that is still affecting a sector of the population and also at taking control over inflation, and in general at achieving economic, political, and social stability. With this aim in mind, Fujimori is evaluating the appointment of a man to replace Dante Cordova as head of the Council of Ministers. Everything seems to indicate that the appointment of the new minister will not take too long. [end recording]

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Peru: Effects of 'Massive' Government Resignation Viewed

PY0304033496 Madrid EFE in Spanish 0229 GMT 3 Apr 96

[By Alejandro Varela]

[FBIS Translated Text] Lima, 2 Apr (EFE) — The massive resignation of the Peruvian Government, in the midst of an economic recession and the existence of conflicts between government sectors, takes place as an immediate consequence of Dante Cordova's resignation as prime minister.

Cordova, former education minister as well as former chairman of the Council of Ministers, today submitted his letter of resignation to President Alberto Fujimori and before receiving an answer, leaked a copy of this letter to the media.

After consulting one and another minister, separately, and once Cordova's resignation was made public, Fujimori decided to announce his decision to accept it with the corresponding consequence: the compulsory resignation of the rest of the cabinet members.

In some way it was a predictable crisis, although very few expected it to happen as it did. What people really expected was that Economy and Finance Minister Jorge Camet would resign or be replaced.

The fact is that the uncertain economic situation Peru is experiencing in addition to the disagreements within the government and that a reduced number of members of Fujimori's "retinue" approve Camet's policy have influence the Peruvian political scene during the past few months.

Camet has tried, unsuccessfully so far, to solve the Peruvian trade balance deficit at the expense of the GDP growth, which in 1994 amounted to 13 percent, the largest in the world; in 1995 to 9 percent. This year it is expected to amount to around 3-4 percent.

Cordova was the main enemy of Camet's policy. According to the main Peruvian political commentators, Cordova had the support of the influential Santiago Fujimori, brother and outstanding member of the "retinue" of the president of the Republic.

Camet, however, enjoyed the support of Jaime Yoshiyama who, up to today was minister of the Presidency. Yoshiyama is one of President Fujimori's right-hand men and main candidate to the post of prime minister and, in the opinion of some analysts, the Presidency of the Republic in the future.

Foreign Minister Francisco Tudela is another "strong man" of Fujimori's regime. He does not seem affected by the crisis unleashed by Cordova.

Tudela's efficiency in handling Peru's thorny relationship with Ecuador and his audacity in opening Peru's way to eastern markets or other nearer ones outside the Andean region seem to have condemned him to remain at the head of the Foreign Ministry.

But the ones who appear to emerge unhurt from any economic or government crisis are, in addition to Fujimori, those who without being ministers or holding any definite post remain by the president of the Republic's side since he came to power in 1990.

They are, namely, Santiago Fujimori, brother and main adviser of the president of the Republic; Valdimiro Montesinos, alleged chief of the National Intelligence Service (SIN).

The government crisis unleashed by Camet's resignation is the second Fujimori faces in the first year of his second presidential mandate, after the resignation in January and, consequent replacement of the defense, justice, and transportation, communications, construction and housing ministers.

Previously Fujimori was faced with a situation that prompted him to dissolve Congress and take tanks out onto the streets. He has also fought one of the most devastating Latin American terrorist phenomenon — Shining Path — and has been involved in a war against a neighboring country, Ecuador.

During the development of these events, Fujimori has got rid of several ministers and aides, including his former wife, Susana Higuchi, but his brother Santiago and Montesinos, with their respective teams, have remained by his side at the head of the government.

However, some political analysts consulted by EFE, say that President Fujimori does not even especially need his brother Santiago nor Montesinos and could get rid of them when least expected.

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Peru: Santistevan de Noriega Elected New Ombudsman

PY0304004996 Lima EL COMERCIO in Spanish 29 Mar 96 p A1

[FBIS Translated Excerpt] On 28 March, Congress elected Jorge Vicente Santistevan de Noriega as ombudsman after obtaining two-thirds of the votes of the legal number of representatives.

Santistevan became the first ombudsman of Peru by obtaining the support of 95 of the 110 congressmen attending the session. Eight congressmen cast blank votes, six voted against and one vote was rejected. According to the Constitution, Santistevan only needed 80 votes to win the election. [passage omitted]

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